

CECW-I

DEPARTMENT OF THE ARMY
U.S. Army Corps of Engineers
Washington, D.C. 20314-1000

EC 11-2-198
Change 1

Circular
No. 11-2-198

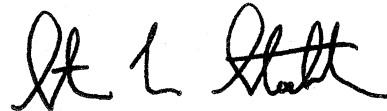
7 January 2010

Program Management
EXECUTION OF THE ANNUAL CIVIL WORKS PROGRAM

1. This Change 1 to EC 11-2-198 consists of minor revisions in the main document, Appendix B and Appendix F.
2. The changed information is annotated as follows:

Page(s)	Paragraph(s)
19	9.b
B-3	5.c(1)
B-5	6.b
B-6	6.c
B-6	6.d
B-6	6.e
F-2	5(Table Title)

FOR THE COMMANDER:



STEVEN L. STOCKTON, P.E.
Director of Civil Works

Circular
No. 11-2-198

31 October 2009

EXPIRES 30 SEPTEMBER 2010
Programs Management
EXECUTION OF THE ANNUAL CIVIL WORKS PROGRAM1. Purpose.

a. This Circular provides United States Army Corps of Engineers (USACE) program and project management policies and practices to ensure that execution of the Fiscal Year (FY) 2010 Civil Works Program is conducted in accordance with the Energy and Water Development and Related Agencies Appropriations Act, 2010 (Public Law 111-85, "the FY 2010 E&WDAA"), direction in the Statement of Managers (Conference Report) that accompanied the FY 2010 E&WDAA, and Administration policies. This document provides guidance and is not to be construed as an official legal opinion regarding any particular item in FY 2010 E&WDAA language or accompanying reports.

b. This document does not provide guidance on execution of the American Recovery and Reinvestment Act of 2009, Public Law 111-5. See EC 11-2-195.

2. Applicability. This Circular applies to all USACE elements having Civil Works responsibilities and is applicable to all USACE Civil Works activities. This document is published at <http://140.194.76.129/publications/eng-circulars/>.

3. Objective. The objective for the execution of the FY 2010 Civil Works Program is to execute the Civil Works program effectively and efficiently, consistent with the FY 2010 E&WDAA, the Statement of Managers, and Administration policies. Execution performance measurement will be based on development of accurate network analyses and milestone, obligation, and expenditure schedules and the execution of both the account (fiscal) and work activities scheduled (physical).

4. References.

a. ER 5-1-11, Management, USACE Business Process.

b. ER 37-2-10, Financial Administration - Accounting and Reporting - Civil Works Activities.

c. CEPR-ZB memorandum, 22 March 2006, subject: PARC Instruction Letter (PIL) 2006-05, Continuing Contracts and Incrementally Funded Contracts for FY 2006.

31 Oct 09

- d. ER 1105-2-100, Planning - Planning Guidance Notebook.
- e. CECW-CP memorandum, 30 Mar 07, subject: Peer Review Process.
- f. CEPR-ZA memorandum, 17 Sep 05, subject: Request for Approval of Incrementally-Funded Contracts Clause.
- g. ER 11-1-321, Army Programs Value Engineering.
- h. Energy and Water Development and Related Agencies Appropriations Act, 2010, Pub. L. 111-85, 123 Stat. 2845.
- i. Joint Explanatory Statement of the Committee of Conference, (hereinafter "Conference Report", H. Conf. Rpt. 111-278.
- j. The American Recovery and Reinvestment Act of 2009, Public Law 111-5, 123 Stat. 134, as modified by the Supplemental Appropriations Act, 2009, Public Law 111-32.
- k. CERM-F Memorandum, dated 21 May 2008, subject: Collection of Civil Works Appropriation Reimbursements.
- l. CECW-IP Memorandum, dated 2 Oct 2008, subject: Collection of Civil Works Appropriation Reimbursements.
- m. DoD(AT&L) Defense Procurement and Acquisition Policy, subject: Class Deviation: Defense Federal Acquisition Regulation Supplement (DFARS) 232.705-70 and 252.232-7007 (Oct. 27, 2009).

5. Scheduling and Execution. See Appendices A through F.

a. Network Schedules.

(1) In accordance with the PMBP business processes, each Project Manager and the PDT are to create and maintain network analysis schedules for each project in P2 based on the FY 2010 appropriations provided as well as carry-in funds. Each schedule must have appropriate activities with accurate durations, successor(s), predecessor(s), risk, constraints and lead and lag relationships, and shall reflect an assessment of the risks and opportunities facing the project. In compliance with the Critical Path Method, all activities, except the project's start milestone and completion milestone, shall be logically connected to another activity. Resources are to be applied at the activity level or at the appropriate work package level within a WBS. HQUSACE required milestones are to be used in the appropriate WBS as shown in appendix A.

(2) The Project Manager shall accurately identify the appropriate business program using the Primary Business Program field for all activities in P2 which will have scheduled or actual obligations and/or expenditures in FY 2010. This is required in

order to assess execution by business program. Primary Business Program is a mandatory data field which is entered in Oracle Projects at the project level. If activities within a project are in a different business program than the project's primary purpose, use the Primary Business Program (Override) activity code in Primavera Project Manager to identify the business program for those activities.

b. Obligation and Expenditure Schedules, Milestones, and Metrics.

(1) The project network schedules will form the foundation for accurate and realistic milestone, obligation, and expenditure schedules that will be measured in Project and Program Review Boards (PRB) at all organizational levels. Performance will be evaluated based on actual versus basic schedule for obligations and milestones. The guidance on Civil Works FY 2010 milestone, obligation, and expenditure metrics, including the list of Major Milestones and Leading Indicators needed for PRB and DMR tracking, is provided in Appendix A.

(2) For fully funded contracts, the obligation schedule must include sufficient funding required at the time of the scheduled contract award to cover the full contract amount. For contracts with a continuing contracts clause or incremental funding clause, the obligation schedule should include sufficient funding to cover the Government estimate of contractor earnings for FY 2010.

(3) All funds must be scheduled for FY 2010 obligation or for carryover. Project Managers should carefully plan the execution of their projects to avoid unscheduled carryover whenever possible. However, planned obligations may not exceed the sum of the amount allocated to the project in FY 2010, carryover funds for that project, and any approved reallocations or reprogrammings. See also paragraph 8.c.

c. Value Engineering.

(1) Value Engineering Workshops will be performed for all water resources projects and portions thereof with total project costs greater than or equal to \$2 million as defined in reference 4.g. Only the Division Commander may waive this requirement for projects with costs less than \$10 million.

(2) The milestones for Value Engineering must be included in P2 and will be tracked by the Districts. Milestones for use at the PRB and DMR are discussed in Appendix A.

d. Civil Works Peer Review.

(1) Initial work allowances will not be issued for any study for which a peer review plan is required (except for the funds needed to complete a peer review plan) unless and until the peer review plan is posted and approved by the Division on the HQUSACE website. See EC 1165-2-209.

(2) Milestones for Civil Works Peer Review must be updated in P2 and will be tracked at the quarterly DMR. Milestone details are discussed in Appendix A.

6. Work Allowances, Reprogramming, and Reallocation. See Appendices G through M.

a. Assignment of P2 Program Codes and CEFMS work items. Assignment of a proper Program Code in P2 must be completed prior to issuance of any work allowance. The Program Code field will be used to store the Congressional line-item identifier. The associated P2 Program Code Description field will contain the “official” project name such as shown in the authorizing legislation. Only those Program Codes which are on the list of valid values in P2 can be selected. All P2 projects that are associated with a historic AMSCO / CWIS / PWI should populate the Program Code field in P2 with the AMSCO / CWIS / PWI number. Projects that are initiated in P2 and are not associated with a historic AMSCO / CWIS / PWI project (i.e. new projects), will still use a Program Code assigned from a Program Code list established by HQUSACE. The new Program Code will be the same as the P2 Project Number for the new project. See Appendix G for additional information. All CEFMS transactions involving Civil Works funds must be associated with a work item assigned to a P2 Project to ensure all CEFMS data is accounted for at the P2 Project Level.

b. Work Allowances.

(1) The funds distribution document is the Funding Authorization Document (FAD) issued by the Resource Management Directorate. Work allowances are the work authorization documents that provide instructions from HQUSACE as to the allocation of the funds available under the FAD. For the I, C, O&M, MR&T, FUSRAP, and FC&CE accounts, the work allowances provide allocations among various P2 Program Codes. The combination of the FAD and work allowance provides expenditure authority and instructions to ensure that the funds appropriated by Congress are used for the purposes intended by Congress (31 U.S.C. 1301).

(2) CECW-I will issue work allowances using the codes in Appendix I, table I-2. These include allocations to sub-items “named” in the Statement of Managers tables, since these sub-items are Programs, Projects, or Activities (PPAs). See Appendix I.

(3) All regularly appropriated funds for inland waterway construction and rehabilitation projects will be issued in the Construction account, 96X3122. Work allowances for funds to be derived from the general fund are issued using category-class-subclass (CCS) 220 or 814, and work allowances for funds to be derived from the Inland Waterways Trust Fund (IWTF) are issued using CCS 310.

(4) Work allowances for IWTF-funded projects will be issued in increments on at least a monthly basis. The reason for monthly work allowances is that the FADs (which equal the sum of work allowances) for IWTF funds count as payables against the IWTF, payables cannot exceed the gross total assets in the IWTF, and less frequent, larger work allowances are not affordable based on the flow of revenues into the IWTF. Districts must ensure that obligations toward continuing contracts on IWTF-funded

projects are made at least monthly, and that each obligation (reservation) of funds toward each continuing contract does not substantially exceed the additional amount, over and above undelivered orders, necessary to finance anticipated contractor earnings through the period until the next reservation of funds.

c. Reconciliations.

(1) When funds allotted to a PPA in CEFMS during the CRA period exceed the amount of the P2-OFA work allowance issued after enactment of appropriations, the project funding account in CEFMS should be reduced by the difference. If the excess funds have already been obligated and cannot be de-obligated, reconciliation is required (see Appendix H for definition). Divisions are responsible for ensuring that reconciliations of allotments and work allowances from the CRA period are carried out where necessary, including identifying the appropriate source PPAs.

(2) The Districts on a monthly basis are to examine the OFA reports on variances between OFA and CEFMS, and to reconcile those variances. The variance reports are located in the OFA Navigator under “Work Allowance Analysis – Acct Class”. Each appropriation account (including CAP) has two variance reports (Detail and Summary) for Recovery Funds (REC), Regular Funds (REG), and Supplemental Funds (SUPP). The Detail report lists the variances by project. The Summary Report lists the variances by Civil Works Type of Funds.

d. PPAs, Reprogrammings, and Reallocations.

(1) Not all work to be undertaken as a result of the FY 2010 E&WDAA is a PPA. Any top-level item and any sub-item ever “named” in a table in the current and previous Statements of Managers (including Conference Reports and Joint Explanatory Statements) is a PPA. In addition, each CAP project, FUSRAP project, and Remaining Item is a PPA. See Appendix H.

(2) Movement of funds into or from a PPA is a “reprogramming” and is subject to reprogramming limitations; however, the movement of funds within a PPA, to or from a sub-item that is not itself a PPA, is a “reallocation” and is not subject to reprogramming limitations. A reprogramming in a District or Division will have both a donor PPA and a recipient PPA. A reprogramming by HQ may have only a donor PPA or only a recipient PPA. See Appendices H and I.

(3) Section 101(a) of the FY 2010 E&WDAA establishes legal limits with respect to the reprogramming of Civil Works funds to or from PPAs. These limits do not apply to reallocations. For a reprogramming, these limits apply to any movement into or out of a PPA of funds that comprise the “baseline” (see Appendix H) for the applicable appropriation. The baseline includes funds provided in the FY 2010 E&WDAA, any funds remaining from previous Civil Works appropriations and carried into FY 2010 unexpended, any funds provided in supplemental appropriations (but excluding funds appropriated in the American Recovery and Reinvestment Act of 2009 (Recovery Act, reference 4.h.)), and allocated appropriation reimbursements, net of statutory

rescissions and deductions. As reprogrammings of any of these funds take place, on or after the date of enactment of the FY 2010 E&WDAA, the amounts reprogrammed are included in the cumulative net reprogramming totals for the FY. Reprogrammings that took place before enactment were included in FY 2009 cumulative net totals and applied against FY 2009 limits, and are not included in FY 2010 cumulative reprogramming amounts. Recovery Act funds are not included in baselines or in cumulative net reprogramming amounts. Implementation of these limits is discussed below. In situations where there is uncertainty on the application of the reprogramming or reallocation definitions, limits, or policies in this Circular, involve the vertical team through the Division, RIT, and CECW-I Account Manager.

e. Reprogramming Prohibitions.

(1) Funds may not be reprogrammed from a PPA if the funds were specified for the PPA in statutory language. In addition, depending on the wording of the statutory language, funds may not be reprogrammed to a PPA for which the statutory language for the current fiscal year specifies a limitation on the amount of funds that may be expended.

(2) Funds may not be reprogrammed in order to create or initiate a “new” PPA. See Appendix H for definitions of “new PPA” and “PPA.” This is an absolute prohibition in section 101(a)(1) of the FY 2010 E&WDAA. In accordance with section 101(c) of the FY 2010 E&WDAA, CAP projects are exempt from this prohibition, but in many cases CAP projects are captured by other prohibitions and limitations. See paragraph 6.f.(7). The prohibition does not apply to reallocating funds to a sub-item of an ongoing PPA that is not itself a PPA, or to reprogramming funds to a PPA, where the PPA previously has received an allocation.

(3) Funds may not be reprogrammed from a PPA to eliminate the PPA. This is an absolute prohibition in section 101(a)(2) of the FY 2010 E&WDAA. Generally, a reprogramming of funds from a PPA “eliminates” the PPA when no funds remain, or so few funds remain that constructive work cannot be performed with in-house labor or by contract. Constructive work includes such activities as planning, engineering, and design, or coordination with the Non-Federal Sponsor.

However, in the cases enumerated below, no further work on the PPA is possible, and the reprogramming of all or any amount of funds from the PPA does not eliminate it. In these cases, all remaining funds may be reprogrammed from the PPA so long as the reprogramming is otherwise permissible (see e.g. paragraph 6.e. elsewhere, paragraph 6.f., and Appendices B and K). It is not an elimination of a PPA if:

(a) For a construction project, the project has been physically completed, the final OMRR&R manual has been provided to the Non-Federal Sponsor (in cases of non-Federal OMRR&R), and (in the case of cost sharing) any required final accounting, reconciling payments, and audit have been performed; or

(b) For a specifically authorized study or construction project, the study or project has been de-authorized, the cost sharing agreement with the Non-Federal Sponsor, if any, has been legally terminated, and (in the case where an executed cost sharing agreement has been executed) any required final accounting, reconciling payments, and audit have been performed; or

(c) For Investigations or MR&T Investigations funds for a potential construction project, the project has been converted to, and funded as, a CAP project, or the project has received Construction or MR&T C appropriations for implementation; or

(d) For Construction funds for a CAP project, the CAP project has been converted to, and funded as, a study or PED in the Investigations or MR&T Investigations account; or

(e) The following conditions are met for a terminated study or project:

- No funds were provided for the study or project in the most recent regular appropriations act or in the accompanying Statement of Managers; and
- In a case where there is an executed cost sharing agreement with the Non-Federal Sponsor, the agreement has been legally terminated and any required final accounting, reconciling payments, and audit have been performed.

f. Reprogramming Restrictions and Limitations. Sections 101(a)(3) through 101(a)(10) of the FY 2010 E&WDAA establish restrictions and limitations on reprogramming to or from PPAs. These sections do not permit the reprogramming of funds for which the amounts were specified in the Act itself, as discussed in paragraph 6.e.1.

(1) Statutory Restriction on Increases to Funds or Personnel. Pursuant to section 101(a)(3), absent notification by the ASA(CW) to the Committees, USACE shall not initiate a reprogramming to a PPA that increases funds or personnel for the PPA, if funds for the PPA have been denied or restricted. However, pursuant to section 101(b), notification is not required for such reprogrammings of \$49,999 or less.

(a) "Denied" refers to:

- Any PPA where the funds are expressly denied in the FY 2010 E&WDAA, or in the narrative language of the Statement of Managers or the House or Senate Report if not superseded by the Statement of Managers, or
- Any PPA that is listed in a table within the Statement of Managers and provided \$0. A blank does not equal \$0. Omission of a PPA from a table should not be considered a denial unless the PPA is also expressly denied funds per the bullet above.

(b) "Restricted" refers to express funding limits in the FY 2010 E&WDAA, or in the narrative language contained in the Statement of Managers, or in the House or Senate

Report if not superseded by the Statement of Managers, such as “Within the funds provided, the conferees direct that not more than \$xxx shall be provided...” However, if the language stipulates simply, “Within the funds provided \$xxx is provided to...”, or “The conference agreement includes \$xxx, of which \$yyy is to” these phrases are not to be read as “restrictions.”

(2) Statutory Restriction on Purpose. Pursuant to section 101(a)(4), absent notification by the ASA(CW) to the Committees, USACE shall not initiate a reprogramming from a PPA of funds for which the FY 2010 E&WDAA or Statement of Managers specified a purpose, or for which either the House or Senate Report specified a purpose if not superseded by the Statement of Managers. This means that if narrative language directed how the funds provided for a PPA are to be used, or how any portion of such funds is to be used, the funds, or the affected portion thereof, may not be reprogrammed from the PPA absent notification by the ASA(CW). This restriction applies even when funds are excess to the needs for a specific PPA. However, pursuant to section 101(b), notification is not required for such reprogrammings of \$49,999 or less.

(3) Statutory Restriction on Augmentation or Reduction. Pursuant to sections 101(a)(5) through (10) and 101(b), absent notification by the ASA(CW) to the Committees, USACE shall not initiate a reprogramming that augments or reduces an existing PPA in excess of the limits outlined below. See Appendix J for examples of reprogramming limit calculations.

Except as noted elsewhere in this EC and the Appendix K, reprogramming authority within these limits is assigned to the Division or the District. Exceeding the limits requires prior written notification by the Assistant Secretary of the Army (Civil Works) to the House and Senate Appropriations Subcommittees for Energy and Water Development (except in the cases of reprogrammings of O&M funds to enable USACE to respond to emergencies, see paragraph 6.f.(3)(d) below). Any reprogramming that would exceed these limits must be submitted by the Division, after coordination with stakeholders, through the RIT to CECW-I for coordination with the ASA(CW) and the Subcommittees. The goal is to process only one action per FY per PPA that requires notification of the Subcommittees. All proposed reprogramming requests that will require congressional notification should include a draft letter for signature by the ASA(CW) (see Appendix L) and a reprogramming data sheet (see Appendix M). After coordination with the Subcommittees, CECW-I will provide notification that coordination is complete, and the Account Manager or Program Manager will enter approval of the transaction in P2-OFA.

Special rules apply in the case of any receiving PPA that is continuing (not a new PPA) but that “did not receive an appropriation.” See Appendix H for the definition of “did not receive an appropriation.” The special rules are discussed at certain locations below.

(a) Investigations and MR&T Investigations. Prior notification to the Subcommittees is required when:

- For a PPA with a baseline of more than \$100,000, except in the case of a receiving PPA that did not receive an appropriation, the cumulative net amount of reprogrammings on or after the date of enactment of the FY 2010 E&WDAA is limited to the greater of \$49,999 or 25 percent of the baseline, up to a maximum of \$150,000.

- For a PPA with a baseline of no more than \$100,000, except in the case of a receiving PPA that did not receive an appropriation, the cumulative net amount of reprogrammings on or after the date of enactment of the FY 2010 E&WDAA is limited to a maximum of \$49,999.

- For a receiving PPA that did not receive an appropriation, but to which funds otherwise may be reprogrammed legally (e.g. it is not a new PPA), the cumulative net amount of reprogrammings into the PPA on or after the date of enactment of the FY 2010 E&WDAA is limited to a maximum of \$49,999, irrespective of the baseline. Each reprogramming into such a receiving PPA requires the approval of the CECW-I Account Manager or Program Manager, even if it meets these limits.

(b) Construction and MR&T Construction. Prior notification to the Subcommittees is required when:

- For a PPA with a baseline of more than \$2,000,000, except in the case of a receiving PPA that did not receive an appropriation, the cumulative net amount of reprogrammings on or after the date of enactment of the FY 2010 E&WDAA is limited to 15 percent of the baseline up to a maximum of \$3,000,000.

- For a PPA with a baseline of no more than \$2,000,000, except in the case of a receiving PPA that did not receive an appropriation, the cumulative net amount of reprogrammings on or after the date of enactment of the FY 2010 E&WDAA is limited to a maximum of \$300,000.

- For a receiving PPA that did not receive an appropriation, but to which funds otherwise may be reprogrammed legally (e.g. it is not a new PPA), the cumulative net amount of reprogrammings into the PPA on or after the date of enactment of the FY 2010 E&WDAA, if greater than \$49,999, must be for existing obligations and associated administrative expenses (see Appendix H for definition) and is limited to a maximum of \$300,000, irrespective of the baseline. Each reprogramming, into a receiving PPA that did not receive an appropriation, that results in cumulative net reprogrammings into the PPA on or after the date of enactment of the FY 2010 E&WDAA exceeding \$49,999 requires the approval of the CECW-I Account Manager or Program Manager, whether or not it is for existing obligations and associated administrative expenses.

- Notwithstanding (b) (1) through (b) (3) directly above, a maximum cumulative net amount of \$3,000,000 may be reprogrammed into a PPA on or after the date of enactment of the FY 2010 E&WDAA for settled contractor claims, changed conditions, or real estate deficiency judgments. The limit under this paragraph is separate from the limits under (b) (1) through (b) (3) above. See Appendix H for a definition of "changed conditions."

(c) Operation and Maintenance and MR&T Maintenance (except to Enable USACE to Respond to Emergencies). Prior notification to the Subcommittees is required when:

- For a PPA with a baseline of more than \$1,000,000, except in the case of a receiving PPA that did not receive an appropriation, the cumulative net amount of reprogrammings on or after the date of enactment of the FY 2010 E&WDAA is limited to 15 percent of the baseline up to a maximum of \$5,000,000.
- For a PPA with a baseline of no more than \$1,000,000, except in the case of a receiving PPA that did not receive an appropriation, the cumulative net amount of reprogrammings on or after the date of enactment of the FY 2010 E&WDAA is limited to a maximum of \$150,000.
- For a receiving PPA that did not receive an appropriation, but to which funds otherwise may be reprogrammed legally (e.g. it is not a new PPA), the cumulative net amount of reprogrammings into the PPA on or after the date of enactment of the FY 2010 E&WDAA is limited to a maximum of \$150,000, irrespective of the amount of the baseline.

(d) Operation and Maintenance and MR&T Maintenance (To Enable USACE to Respond to Emergencies). In accordance with sections 101(a)(8) and (9) of the FY 2010 E&WDAA, no limit is placed on the amount of a reprogramming that is required in order for USACE to be able to respond to an emergency. Such a reprogramming does not count toward the limits in paragraphs (c) (1) through (c) (3) directly above. Further, prior notification to the Subcommittees of such a reprogramming is not required; however, notification should take place as soon as practicable. See Appendix H, paragraph 5 for the definition of an emergency. See paragraph 7, below, for guidance on the processing of reprogrammings to enable USACE to respond to emergencies.

(e) Formerly Utilized Sites Remedial Action Program. The cumulative amount of reprogrammings into a receiving PPA on or after the date of enactment of the FY 2010 E&WDAA is limited to a maximum of 15 percent of the baseline or \$49,999, whichever is greater.

(4) Other Appropriations.

(a) For the other appropriations (Flood Control and Coastal Emergencies, Regulatory Program, and Expenses), reprogrammings to or from any PPAs are subject to paragraphs 6.e., 6.f.(1), and 6.f.(2)). However, reprogrammings to or from any PPAs in these accounts are not subject to any restrictions on augmentation or reduction (paragraph 6.f.(3)). There are no applicable baselines or thresholds for these appropriations. Further, PPAs are rare in these appropriations.

(b) Maintenance and Operation of Dams and the other permanent appropriations do not receive appropriations through Title I of energy and water development appropriations acts. Reprogrammings of funds in these appropriations are not subject to the restrictions on reprogramming in Title I.

(c) Within the Operation and Maintenance account, funds with category-class-subclass 390 are derived from the Bonneville Power Administration and are not appropriated in Title I of energy and water appropriations acts. These funds are not included in the O&M baseline, and reprogrammings of these funds are not subject to the restrictions on reprogramming in Title I.

(5) Policy Limitations for Reprogramming of Inspection of Completed Works (ICW) Funds. By policy, ICW funds are limited to ICW activities only. Reprogramming of ICW funds within a Division's region is permissible from one state to another within the limitations above. All unobligated ICW funds scheduled for carryover are subject to revocation by HQ to meet nationwide needs within the limitations above.

(6) Policy Limitations for Reprogramming of Remaining Item Funds. The following guidance governs reprogramming into or out of Remaining Items, and is in addition to the foregoing guidance.

(a) Programmatic Remaining Items are traditional Remaining Items that are carried out (usually by an FOA or FOAs) with all work having the same Program Code. Currently, funds are issued to a limited number of EROCs through work allowances, and those EROCs may issue MIPRs as needed. Reprogrammings into or out of Programmatic Remaining Items are processed the same as for study or project PPAs. See Appendix I.

(b) Parent Remaining Items.

- Parent Remaining Items are PPAs comprised of studies or projects that are authorized as components ("children") within the Remaining Item. The child studies or projects have their own Program Codes, but they are not separately authorized. Funds are issued to the child studies and projects through allocations using the C or ALL code. See Appendix I.

- Movement of funds to or from a child study or project is a reprogramming or reallocation, depending on whether a child was ever "named." Funds moved between a child study or project and a PPA outside the Parent Remaining Item is a reprogramming with respect to the child (if a PPA), the Parent, and the PPA outside the Parent, and the threshold for each PPA must be considered. Movement of funds from the Parent without issuance to children is a reprogramming. Funds may not be reprogrammed to a Parent itself.

(c) Funding Pot Remaining Items.

- Funding Pot Remaining Items are funding sources for certain work on specifically authorized study and project PPAs that have their own Program Codes and that exist independent of the Funding Pot. (The study and project PPAs funded by a Funding Pot also may receive funds on their own in the same fiscal year.) Some of the Funding Pot Remaining Items are listed under States (e.g. Michigan Harbor Dredging in the O&M account), though they are by nature Funding Pot Remaining Items and not specifically

authorized project PPAs. Also, some Remaining Items, such as Research and Development, have been treated as Funding Pots by tradition, with the sub-items having their own Program Codes. Funds are distributed from a Funding Pot Remaining Item to various studies or project PPAs in multiple EROCs by work allowances. See Appendix I.

- Movement of unissued funds from a Funding Pot is a reprogramming. Funds may not be reprogrammed into a Funding Pot itself.

(7) Reprogramming Restrictions and Limitations Applicable to CAP Projects.

(a) Each CAP program is a Parent Remaining Item. Because the amount of funds for each CAP section is not specified in the Construction paragraph for FY 2010, funds may be reprogrammed into or out of the various CAP sections within the above limitations. See paragraph 6.f.(6)(b).

(b) Each CAP project is a PPA. Movements of funds to and from CAP projects are reprogrammings.

(c) Initiation of a CAP project through a reprogramming is prohibited by policy. New CAP projects will be funded by HQUSACE through allocations, after coordination with the Committees.

(d) Approval of the HQ Program Manager is required for the following:

- To reprogram funds that were specified for a CAP project in the Statement of Managers for FY 2006, 2008, or 2009.
 - If the CAP project is not completed or terminated, the reprogramming is prohibited until 1 Oct 2010.
 - If the CAP project is completed or terminated, the HQ Program Manager will verify that the project is completed or terminated and that the reprogramming would not comprise elimination. See paragraph 6.e.(3) regarding elimination.
 - In determining whether the funds proposed to be reprogrammed were so specified, the principle will be followed that funds appropriated first in time are obligated first in time, and that funds remaining on a project are from the latest FY(s) in which the project received funds.
- To reprogram funds to a Suspended project. Funds may not be reprogrammed to a Suspended project except for the purposes of undertaking the reaffirmation or termination process.
- To reprogram funds to or from a CAP Coordination account.

- To reprogram funds that increase the cumulative allocations to more than \$100,000 for a CAP project in the feasibility phase that does not have an executed FCSPA, or that increase the cumulative allocations to more than \$50,000 for a CAP project in the D&I phase that does not have an executed PPA. This is to ensure that the CAP project complies with the applicable limits in Appendix F, Amendment 2 of Reference 4.d., or that a waiver of policy has been obtained.

(8) Policy Limitations for Reprogramming of Safety of Dams Funds.

(a) Any proposed reprogramming from an Action Class I, II, or III safety of dams project (dam safety assurance, seepage control, or static instability correction) must be coordinated with the District and Division Dam Safety Officers (DSO), and the Division DSO must concur that the funds are excess.

(b) In any instance where the proposed reprogramming requires Congressional notification, the Division DSO must notify CECW-EC by e-mail of the proposed reprogramming, concurrent with Division coordination with the RIT. The Chief, E&C, will advise the Chief, PID, if there is another potential use of those funds that would mitigate a serious life, property or other risk at another USACE project. They will jointly determine whether to reprogram as recommended by the Division or to propose reprogramming to a higher national need. Any such decision will be coordinated with the Division.

(9) Policy Limitations for Reprogramming of Maintenance and Operation of Dams Funds. Any reprogramming of M&O Dams funds in the field requires the approval of the HQUSACE appropriation manager. This provides an additional control to ensure that the receiving PPA originally was or currently is competitive for M&O Dams funds compared to other work nationwide.

g. Source of Funds for Reprogramming. Each reprogramming action shall be treated as a one time transaction with no commitment or expectation to return funds to the source PPA. Prospective sources of funds for a proposed reprogramming action should be examined in the following priority order:

(1) Funds that are not required for the source PPA in any fiscal year.

(2) Funds that are excess to the source PPA in both FY 2010 and 2011, assuming enactment of the President's FY 2011 budget (or the lower amount of the House report or the Senate report, if available, or in the Conference Report, if available).

(3) Funds that are excess to the source PPA in FY 2010 only.

h. Documentation. Documentation of each field reprogramming action must be loaded into the Work Allowance Module in P2/OFA to ensure that quarterly reports to Congress and other reports on reprogramming are accurate. Reallocations that move funds between EROCs, Type of Funds (Approp/CCS), or Program Codes (AMSCO) must also be loaded into P2/OFA. Accurate descriptions explaining the use of the funds

on the gaining PPA, and the reason the funds are excess to the source PPA must be included in the P2/OFA Work Allowance Module. Actual movement of funds in CEFMS will not be accomplished until receipt of reprogramming approval through an email confirmation from P2/OFA.

7. Policy on Response to Emergencies.

a. Operation and Maintenance and MR&T Maintenance funds reprogrammed pursuant to sections 101(a)(8) and (9) of the FY 2010 E&WDAA, the one percent of funds set aside pursuant to the Operation and Maintenance paragraph of the FY 2010 E&WDAA, and emergency supplemental funds in all appropriations all are authorized for limited purposes related to response to emergencies. Accordingly, additional controls, including approval of transactions by the HQUSACE appropriation manager, are placed on the allocation and reprogramming of these funds to ensure that the intended uses are consistent with these purposes.

b. The term “emergency” is defined in Appendix H, paragraph 5. An emergency could involve the failure of a key project component, or the impacts of a major storm or natural event. Note that an emergency must be an actual or imminent event, not a gradually developing condition, and must have significant consequences.

c. Response to an emergency could include immediate response under emergency conditions, or later restoration of project conditions that existed prior to the emergency. Costs of response to an emergency do not include any allocable costs of additional maintenance and repairs over and above restoration of pre-emergency conditions, and funds provided for response to an emergency may not be used for the allocable costs of additional maintenance and repairs.

d. Reprogrammings To Enable USACE Response to An Emergency. As discussed in paragraph 6.f.(3)(d), section 101(a)(8) and (9) of the FY 2010 E&WDAA establish notification requirements for a reprogramming in the Operation and Maintenance account or the MR&T Maintenance sub-account that enables USACE to respond to an emergency. Such a reprogramming should be coordinated within the vertical team, including the Division, the RIT, CECW-I, and ASA(CW). Such a reprogramming will be entered into P2-OFA using the “EMR” transaction code (see Appendix I). It will be approved by the Division, then the CECW-I Account Manager to ensure that the reprogramming qualifies as enabling USACE to respond to an emergency. Concurrently with consideration of such a reprogramming, the Division will prepare draft notification letters to both the House and Senate Appropriations Subcommittees for Energy and Water Development for signature by the ASA(CW), and furnish the draft letters to CECW-I through the RIT. The letters will be signed and sent once the reprogramming has taken place.

e. One Percent Set-Aside.

(1) The Operation and Maintenance paragraph in the FY 2010 E&WDAA specifies that one percent of the funds provided for each PPA under that heading shall not be

allocated to a field operating activity prior to the beginning of the fourth quarter of the fiscal year and shall be available for use by the Chief of Engineers to fund such emergency activities as the Chief of Engineers determines to be necessary and appropriate. Further, the paragraph provides that the Chief of Engineers shall allocate during the fourth quarter any remaining funds that have not been used for emergency activities, proportionally to the amounts provided for the PPAs. The term "emergency activities" has the same meaning as the term "response to an emergency" discussed in paragraph 7.c.

(2) The one percent set-aside will be managed as follows. Ninety-nine percent of the amount specified for each O&M PPA will be issued to that PPA. With respect to each PPA, the one percent is a statutory reduction. The funds retained as a consequence of the one percent reduction will be treated as a "Funding Pot" (see Appendix I). Any distribution of the retained funds will be treated as an initial allocation using the ALL transaction code, and not as a reprogramming. Until sometime in the fourth quarter of FY 2010, the retained funds will be available for emergency activities. In the fourth quarter of FY 2010, remaining retained funds, if any, will be allocated to the original PPAs on a pro-rata basis.

f. Supplemental Appropriations.

(1) Work accomplished with supplemental appropriations must be within the statutory purposes of the appropriations that they supplement. Generally, emergency supplemental appropriations for Civil Works are to enable USACE to respond to emergencies, or certain types of emergencies. The language of each emergency supplemental appropriations act specifies the purposes of the appropriations. For instance, recent supplemental appropriations acts for the Operation and Maintenance account have stated that the funds are "to dredge navigation channels and repair other Corps projects related to natural disasters." Others have specified that the funds are for response to the 2005 hurricanes. Therefore, in the case of the recent supplemental appropriations for Operation and Maintenance, these funds are to be used for responses to natural events (or any specified natural events, as the case may be), but not for responses to project component failures not related to natural events.

(2) The work accomplished with supplemental funds must be within the scope of work approved by HQUSACE. This ensures that supplemental funds are applied to the best uses nationwide. Should the cost of the scoped work be less than anticipated, the surplus funds should be offered to HQUSACE for revocation (i.e. reprogramming from the projects, in the case of large sums) or reprogrammed to other projects (in the case of small sums), subject to the usual reprogramming rules and the subparagraphs below.

(3) The approved work to respond to the emergency and the allocable costs of any additional work each will be identified as a separate line item in the solicitation and contract, and the allocable costs of any additional work will be funded with regular project funds.

(4) Any two-way reprogramming that uses a supplemental category-class-subclass (CCS) for one transaction but not the other or that changes a supplemental CCS is prohibited. Such a reprogramming would change the character of the funds in work allowance records.

(5) Any reprogramming of supplemental funds in the field requires the approval of the Division and the HQUSACE appropriation manager. This provides an additional control to ensure that the receiving PPA qualifies for supplemental funds and is competitive compared to other unfunded work nationwide that also qualifies.

(6) Reprogramming of supplemental O&M or MR&T Maintenance funds may be coded as an emergency (EMR) transaction or as a normal (REP or CGR) transaction. The EMR code may be used because the purpose for which the funds were originally appropriated is emergency response.

8. Contracting. See Appendices N and O.

a. Acquisition Strategies.

(1) An acquisition plan or strategy should be developed for each contract. The focus for all FY 2010 acquisition strategies must be to scope project activities in such a way that scheduled FY 2010 activities can be accomplished within available funding. Development of the strategy should include assessment of fully funded contracts, base contract with options, continuing contracts including incrementally funded contracts, IDIQ contracts, job order contracts, purchase order contracts, etc. to ensure an awardable contract. In order to assure proper acquisition planning, several codes are required in P2. When any of the contractual resources are used (AESVCS, CONSTSVCS, OTHCONSVCS, ADV&ASTSVC, O&MCONT) the activity must also contain a value for the activity codes Contracting Type, Contracting Method, and Set Aside Decision. As soon as contracts are scheduled in P2, a strategy must be entered using the above activity codes. The PM is highly encouraged to work with the Contracting and Small Business representatives of the PDT to identify these data values. The strategy may change based on acquisition board guidance, at which time the codes will require updating.

(2) Scoping. Care must be taken in development of the contract scope, the government estimate, and the timing of the contract award, to ensure uncertainties (e.g. escalating energy and material costs) are adequately included and sufficient funds are available within the District to cover scheduled activities for the fiscal year. The development of contract scopes should incorporate the processes and lessons learned in the Military Program, (that is, develop contract scopes within 80-90 percent of funds available).

(3) Limitations. Contracts funded under the C account and the C portion of the MR&T account of less than \$20 million should be fully funded. C and MR&T C contracts that are over \$20 million and that have performance periods extending beyond the end of the fiscal year may use a fully funded contract under \$20 million with options.

For both C and O&M (including MR&T C and M) accounts, consideration may be given to use of an incrementally funded contract, a contract including the special continuing contract clause, or a contract using the “true” continuing contract clause if there is a sound business case (see Appendix O) and the conditions and approval requirements are met (see Appendix N). HQUSACE does not expect to recommend that the ASA(CW) approve advertisement of any new contracts using the “true” continuing contracts clause in FY 2010.

b. Availability of Funding for Contract Solicitation. Funds must be available prior to solicitation for the entire contract amount for fully funded contracts, for the base contract amount on base plus option contracts, and for the amount to be reserved in the fiscal year for continuing contracts. When the Resource Manager cannot certify that sufficient funds are available at the time of solicitation, AFARS 5101.602-2(a) (ii) permits the Contracting Officer to solicit for the contract so long as the Chief of Resource Management indicates in writing that there “is a high probability that the requirement will not be canceled.” Funds must be available at the time of bid opening or proposal receipt.

c. Continuing Contracts.

(1) See Appendix N for guidance on conditions and approval levels for use of continuing contract clauses.

(2) Since 2006, the Directorate of Contracting (DoC) has approved two interim clauses to implement USACE’s continuing contract authority while HQUSACE was pursuing publication of those clauses for public notice and comment. See Reference 4.c. While seeking publication, USACE agreed to a DA request to combine the two clauses into a single primary clause with alternate language. The Department of Defense has approved USACE’s use of that clause while HQUSACE undergoes the notice and comment process and develops a final clause for publication in the Army Federal Acquisition Supplement. See Reference 4.m. Because the clause DoD approved is not substantively different than the clauses the DoC has approved, DoD’s approval of the clause does not affect any on-going contracts awarded with the DoC approved clauses.

(3) Until public comments are received and the final clause is published by HQUSACE, new contracts that must be awarded using the continuing contract authority shall use the clause approved for use by DoD. Districts should use the primary clause language where it would have used the “Special clause” and should use the alternate language where it would have used the incremental clause.

d. Section 103 Statutory Limit on Amounts Committed to Continuing Contracts. For any contract under the continuing contract authority, the amount estimated for FY 2010 contractor activities and reserved to the contract, including for modifications, must not exceed the amount provided for the project in the FY 2010 appropriations that remains unobligated, plus any unobligated carry-in for that project, plus any amounts reprogrammed to that project pursuant to section 101. For any project that has an

already-awarded contract that uses one of these clauses, or for which the District is considering awarding a contract that uses one of these clauses, the District should ensure that sufficient funds are set aside unobligated to cover planned and potential modifications to that contract without necessitating a reprogramming over the thresholds for Committee notification in section 101.

e. Inland Waterways Trust Fund (IWTF) Contracts.

(1) In accordance with section 104 of the FY 2010 E&WDAA, no continuing contract may be awarded that commits additional funding from the IWTF unless or until such time that a permanent solution to enhance revenues in the IWTF is enacted.

(2) Until the ASA(CW) determines that sufficient revenues are projected for the IWTF, prior approval of the ASA(CW) is required for additional contractual commitments on inland waterway projects, including advertisement or award of any contract, an additional financial obligation under any existing incrementally funded contract, execution of any relocation agreement, or award of any option or task order. Items under \$50,000 are considered incidental to ongoing work and will not be submitted for approval. HQUSACE will not recommend ASA(CW) approval of an additional financial commitment that is not affordable in FY 2010, after consideration of any offsets. Each Division should coordinate its funding priorities with CECW-I and CECW-CO.

f. Reporting. A quarterly report documenting the status of all existing contracts using the "true" continuing and "special" continuing contract clauses is prepared by CECW-I. The report lists each contract separately, with current year and projected out-year obligation requirements. Divisions will be requested to update contract information quarterly.

g. Bonneville Power Administration (BPA) Contracts: The use of incrementally funded contracts funded wholly from BPA is approved. See reference 4.h.

9. Obligations for Inland Waterway Projects. The FY 2009 and FY 2010 E&WDAA's provide that funds will be derived from the IWTF "only" for certain projects named in each Act. The universe of projects named for FY 2010 differed from the universe for FY 2009. Obligations in FY 2010 until the enactment of the FY 2010 Act are governed by the FY 2009 Act. Obligations in FY 2010 on or after the date of enactment of the FY 2010 Act are governed by the FY 2010 Act.

a. Projects named in both FY 2009 and FY 2010 are cost shared 50/50 between the general fund and the IWTF in FY 2010.

b. *For projects not named in 2009 but named in FY 2010 (Markland and Emsworth), any obligations in FY 2009 and 2010 until enactment of the FY 2010 Act, whether from unobligated balances or any additional funds provided to the project, are 100 percent from the general fund, and any obligations on or after the date of enactment of the FY 2010 Act, whether from unobligated balances or any additional funds provided to the project, should be "caught up" by obligating funds derived from the IWTF until cumulative costs are 50/50.*

c. For a number of specifically authorized projects named in 2009 but not named in FY 2010, any obligations before the date of enactment of the FY 2010 Act are cost shared 50/50, and any obligations on or after the date of enactment of the FY 2010 Act, whether from unobligated balances or any additional funds provided to the projects, are 100 percent from the general fund. This is the case even though these are construction projects and at least some of them are authorized as 50/50.

d. For projects not named in FY 2009 or FY 2010, any obligations in FY 2010, whether from unobligated balances or any additional funds provided to the projects, are 100 percent from the general fund.

10. Implementation. This guidance is effective immediately. District and Divisions shall inform CECW-I of any problems with the implementation of this guidance.

FOR THE COMMANDER:



STEVEN L. STOCKTON, P.E.
Director of Civil Works

15 Appendices:

- App A - Execution Metrics Definitions
- App B - Standard Operating Procedures for Continuing Authorities Program
- App C - Expenses Program Execution Guidance
- App D - Flood Control and Coastal Emergencies (FCCE) Execution Guidance
- App E - Formerly Utilized Sites Remedial Action Program (FUSRAP) Execution Guidance
- App F - Regulatory Program Execution Guidance
- App G - Use of Program Codes in P2
- App H - Reprogramming-Related Definitions

- App I - Standard Operating Procedures for Recording Work Allowances, Reprogrammings, and Other P2-OFA Transactions
- App J - Calculation of USACE Reprogramming Limits, Examples
- App K - Processing and Approval of Reprogramming Actions
- App L - Appropriations Committee Notification Example for Standard Reprogramming
- App M - Format for Reprogramming Data Sheet
- App N - Conditions and Approval Levels for Use of Contract Clauses
- App O - Format for Approval to Award a Continuing Contract

APPENDIX A

Execution Metrics Definitions

1. Metrics. To determine whether USACE is meeting its commitments to customers, stakeholders, and the Congress, the following metrics are used by HQUSACE to monitor corporate execution:

a. Program Review Board. The OFA Administrator has enabled entry of CFY (2010) and CFY+1 (2011) 2101 schedules for obligations and expenditures for Supplemental and Recovery funds. Regular funds will continue to be scheduled the CFY (2010) only. For Supplemental funds, scheduled funds over CFY and CFY+1 will be compared to available funds. For Regular and Recovery funds, only CFY scheduled funds will be compared to available funds.

b. Milestones.

(1) Meeting commitments to customers and stakeholders means executing the program as appropriated and scheduled. Developing network schedules based on accurate activity durations and relationships (predecessor/successor/lead/lag) with milestones, and then measuring completion of milestones will be a key indicator for determining if HQUSACE is meeting its commitments. The USACE measures execution by pairing lagging indicators such as contract awards with leading indicators such as Ready to Advertise to aid in identifying corrective actions the Project Delivery Team should use to better meet commitments. Through the development of accurate milestone schedules, USACE's ability to meet obligation and expenditure schedules is enhanced. The program execution metric will be a measurement of the accuracy of milestone execution. The number of scheduled milestone events Year-To-Date (YTD) (baseline) versus actual YTD (Planned milestone date versus Actual milestone date in Primavera) will be tracked monthly for both major milestones and the leading indicator milestones. The Planned date can be Planned Start or Finish depending on what has been set for Milestone Type in Primavera. If a milestone is scheduled for a future FY but is accomplished in the current FY, the accomplishment will be counted in the current FY. On the other hand, planned milestones that are not accomplished within the current FY must be rescheduled in the next FY in order to be counted once the milestone is accomplished. Major milestones will be graded and reported quarterly at the Directorate Management Review (DMR) and the Command Management Review (CMR), and monthly at the HQUSACE CW Program Review Board (PRB). Reasons for slips and corrective actions will be discussed by the MSCs at the reviews if necessary.

(2) The data fields that are used for the planned versus actual comparison come from the current approved schedules in Primavera, which are extracted into OFA for reporting. The baseline planned milestone dates in OFA will be established when HQUSACE takes a snapshot of the planned milestone dates from the Primavera current approved schedules on the "lock" date specified in the main portion of this EC. The actual accomplishment dates will be established in OFA on the 4th business day of each month using the actual dates in the Primavera current approved schedules. Data for

31 Oct 09

the Program Reviews will be pulled from OFA on the 5th business day of each month. The milestone reports and graphs that HQ will be pulling each month for the reviews are located in OFA – Civil Works, in the HQ PRB/CMR/DMR Reports Directory and the CW Milestone Analysis Reports Directory. These reports and graphs include:

(a) DMR - 11 Milestone Execution Rating Summary graph. There will be one graph per MSC and one for USACE total. Each MSC graph can be accessed by using the drop down menu at the top of the report. The graph will provide the % variance from schedule for the major milestones with the resulting metric rating.

(b) DMR - 12 Milestone Statistics Execution for CAP and Non-CAP that provides a count of milestones scheduled for the FY and YTD and actual milestones accomplished to date by MSC. The report covers milestones for Regular, Supplemental, and Recovery Funds.

(c) DMR – 11A Milestone/Project Details. This provides a detailed listing of projects by milestone.

(d) ARRA Contract Award Milestone Report. This report is located in the Milestone Analysis Reports Directory and provides a count of contract awards by month, account, and MSC for ARRA funded contracts.

(3) A table of the selected major milestones and leading indicator milestones, as well as definitions and report parameters for the PRB/DMR/CMR reports is provided in paragraph 2. The table also indicates if the milestone is tracked for CAP and/or Non-CAP projects and projects funded with Regular, Supplemental or Recovery funds. The metric for the major milestones is defined as follows:

Allowable Variance from Schedule (number planned versus number actual)

Green: $\geq -5\%$

Amber: $< -5\%, \geq -10\%$

Red: $< -10\%$

(4) Please note that the Contract Award milestone (CC800) is split into three separate milestones: Construction (CC800), A/E Services (CW801) and Other (CW802). All existing Contract Award milestones which are for A/E Services must be coded as CW801. All existing Contract Award milestones for contracts other than Construction and A/E Services must be coded as CW802. Construction Contract Awards should remain as CC800. Similarly, the RTA (CW400) milestone, which is used as a Leading Indicator, is also split into three separate milestones: Construction RTA (CW400), A/E Services RTA (CW401), and Other RTA (CW402). Existing RTA milestones for A/E Services and Other (non-Construction) contracts must be coded as CW401 and CW402 respectively.

c. Obligation Schedules.

(1) The corporate metric for obligation schedules will measure the baseline schedule (scheduled obligations versus actual obligations) for the I, C, CAP, MR&T, O&M, REG,

E, FUSRAP, and FCCE accounts. Baseline schedules are created by doing a snapshot in OFA of the Primavera current approved schedule (with OFA rounding and smoothing) at a specified time. It is advisable that Project Managers create Primavera baselines for each project at the same time as the OFA current schedule snapshot to assist Districts with their own assessments and reporting. Successful program execution will be considered to be within a variance of **greater than or equal to minus five percent scheduled versus actual** at the account level. Trends should be assessed monthly by the MSC, and measured quarterly against the baseline. Corrective actions will be provided at the reviews if necessary. The metric for obligations is defined as follows:

Allowable Variance from Schedule (amount planned versus amount actual)

Green: $\geq -5\%$

Amber: $< -5\%, \geq -10\%$

Red: $< -10\%$

(2) The data fields that are used for the monthly planned versus actual comparison include the snapshot baseline in OFA and the 3011a actual amounts. The snapshot for the monthly OFA Historical reports will be done on the 4th business day of each month and reports and graphs for the reviews will be pulled on the 5th business day. The reports and graphs that will be used each month for obligations are located in OFA CW in the HQ PRB/CMR/DMR Reports directory and are as follows:

(a) HQ – FY2010 Historical 2101 D05 Report for Regular, Supplemental and Recovery funds. This report is a snapshot of the data as of the end of the month and consists of detailed schedule data by MSC and Program account.

(b) HQ – FY2010 Historical 2101 D16 – Recovery – All EROCS. This report provides cumulative obligations by EROC for Recovery funds only.

(c) DMR – 01 Obligations Rating Summary graph. There will be one graph per MSC and one for USACE total. Each MSC graph can be accessed by using the drop down menu at the top of the report. The graph provides the percent variance and resulting metric rating by MSC and Account. The fields being used for calculating the variance include the 2101 Historical scheduled Obligations YTD (Basic) and the 2101 Historical CEFMS Actual Obligations YTD (3011A). The available amount is the 2101 Historical CEFMS Available to obligate (3011A).

(d) DMR – 20 Percent of Available that is scheduled, (current schedule). There will be two graphs, one by MSC and one by Account. This will display the percent of funds scheduled for Regular, Supplemental, and Recovery funds. Supplemental and Recovery funds will cover two years.

d. Expenditure Schedules. The focus of measuring program expenditures will be used as an internal control to measure our ability to complete scheduled activities. The corporate metric for expenditure schedules will measure the baseline schedule (scheduled expenditures versus actual expenditures). Successful program execution will be considered to be within a variance of greater than or equal to minus five percent actual versus scheduled at the account level. This metric will not be reported at the reviews but may be used as back-up material when requested.

e. Scheduled Carryover. As noted above, there will be three carryover trend graphs. The graphs will cover historical as well as projected carryover for Regular, Supplemental and Recovery funds. Projections for Supplemental and Recovery funds will include two years, (FY 2010 and FY 2011).

2. Major Milestones and Leading Indicators. Milestones and indicators with definitions and report parameters for PRB/DMR/CMR reports follow below. Milestones are pulled for all fund types and will be categorized as CAP for Regular appropriations, Non-CAP for Regular and Supplemental appropriations (there are no CAP projects funded with Supplemental), CAP for Recovery appropriations and Non-CAP for Recovery appropriations. Milestones are tracked and reported at the monthly PRBs except as indicated below. Value Engineering and Civil Works Peer Review is covered quarterly only. Please note that historical snapshots will be done each month in the evening of the 4th business day and data for the reviews will be pulled on the 5th business day each month.

Milestone Name	Milestone Code	Type of Funds CAP / Non-CAP	WBS used for charts and reports	Remarks	CW Template WBS	Milestone Description
Start Recon	CW140	Reg/Supp Non-CAP	21000 - Recon/Sec 905(B) Studies Rollup	Leading Indicator for CW170.	21T00	This provides the start date for beginning the reconnaissance study for the project (initial obligation of funds) and signifies the major start of the Reconnaissance Phase of the Project.
Recon Report Approval	CW170	Reg/Supp Non-CAP	21000 - Recon/Sec 905(B) Studies Rollup	Leading Indicator for CW130 FCSA Exec and major milestone	21S00	This provides the finish date of the final reconnaissance report and the document has been signed by the District Engineer.
Feas. Report Approval	CW170	Reg/Supp CAP	2200 - Feasibility Studies Rollup	Major Milestone	22S0C	This provides the finish date of the final Feasibility report and the District Engineer has signed the document.
Signed/Executed FCSA	CW130	Reg/Supp Non-CAP/CAP	21V00 – FCSA	Major Milestone	21V00	This provides the finish date that the FCSA has been signed by both the cost share sponsors and the Federal Government.
Feas Alternative Formulation Briefing (AFB)	CW190	Reg/Supp Non-CAP	22000 - Feasibility Studies Rollup	Leading Indicator for DE Transmittal Letter.	22R00	This provides the finish date that an approved memorandum is filed for the record immediately following the AFB. An AFB can be held more than once during the project life cycle, but normally occurs early in the Feasibility phase during formulation of alternatives.

DE Transmittal Letter	CW260	Reg/Supp Non-CAP	22000 - Feasibility Studies Rollup	Leading Indicator for Design Agreement and Major Milestone	22S00	This provides the finish date of the Div Commander's Notice when it is signed and issued (Date of issue of Public Notice).
Design Agreement Executed	CW130	Reg/Supp Non-CAP	30DG0 – Design Agreement	Excludes CAP	30DG0	This provides the finish date that signifies the agreement is signed by both the project sponsor and the Federal Government.
PCA Executed	CW130	Reg/Supp Non-CAP/CAP	30APO - PCA Executed	Major Milestone	30APO	This provides the finish date that signifies the agreement is signed by both the project sponsor and the Federal Government.
Submit PCA Package	CW080	Reg/Supp Non-CAP	30APO - Submit PCA Package	Leading Indicator for PCA Exec.	30APO	This provides the finish date signifying the submission of the final agreement package to the MSC for review and approval.
Contract RTA	CW400 (For ARRA funded work, CW401 and CW402 are also included)	Reg/Supp/Recov Non-CAP/CAP	30000 - Plan, Eng & Des (PE&D) Rollup, 60000 - Operations Rollup, and 61000 - Maintenance Rollup No WBS filter used for ARRA projects.	Leading Indicator for Contract Award. Major milestone for Stimulus.	30DS0	The date the District meets all required approvals to advertise construction contract (may include but not limited to: BCO review and approval, acquisition of all LERRDs, final NEPA compliance documents and required funds available to obligate.
Contract Award	CC800 (For ARRA funded work, CW801 and CW802 are also included) ENF5	Reg/Supp/Recov Non-CAP/CAP	30000 – Plan, Eng & Des (PE&D) Rollup, 60000 - Operations Rollup, and 61000 - Maintenance Rollup. No WBS filter used for ARRA projects. ENF5 used for FUSRAP	Major Milestone	30DS0	This provides the finish date for the awarding of the contract.
Contract Physical Completion	CC840	Recov Non-CAP/CAP	No WBS filter used for ARRA projects.	Major Milestone for Stimulus	30DS0	Finish date for all physical contract work, including punch list deficiencies.
Notice of Project Completion/ Assumption of OMRR&R	CW480	Reg/Supp/ Non-CAP/CAP	30000 - Plan, Eng & Des (PE&D) Rollup	No leading indicator for this milestone	30F00	This provides the date that the District Engineer notifies the project sponsor in writing that the project is complete and furnishes the non-Federal sponsor with an interim or final OMRR&R manual. [see Article II.C.]

Milestones tracked quarterly: Only at the Civil Works Directorate Management Reviews (DMR)						
Milestone Name	Milestone Code	Type of Funds CAP/Non-CAP	WBS used for charts and reports	Remarks	CW Template WBS	Milestone Description
Post Peer Review Plan	CW035	Reg, Non-CAP	00500 - CW PMP		00500 - CW PMP	Represents the initial date the plan was approved and posted.
Update/Revise Peer Review Plan	CW044	Reg, Non-CAP	00500 - CW PMP		00500 - CW PMP	Represents the date of any Civil Works Peer Review Plan updates. May have multiple codes within a project.
VE/VM	CW195	Reg/Supp, Non-CAP/CAP	22000 - Feasibility Studies Rollup, 30000 - PE&D Rollup		22P00, 30AA0, 220DC.22 POC - CAP	VE/VM Study/Workshop Complete
VE/VM Complete	CW290	Reg/Supp, Non-CAP/CAP	30000 - PE&D Rollup		30BN0, 30DN0, 30DAC.30 DNC - CAP	This provides the finish date for the completion of the VE/VM process

APPENDIX B

Standard Operating Procedures for Continuing Authorities Programs

1. Guidance. Implementation of the FY 2010 CAP program is based on guidance contained in Appendix F, Amendment 2, dated 31 Jan 07, of the Planning Guidance Notebook, ER 1105-2-100, Reference 4.d. (PGN Appendix F), and the following execution guidance.
2. Contracts. Continuing contracts and incrementally funded contracts will not be used for the Continuing Authorities Program. All CAP contracts will be fully funded.
3. CAP Project Classification. CAP project status is classified in P2 using six codes:
 - a. Unstarted status means that funds have never been provided to the CAP project.
 - b. Active status means the CAP project has received funds in the Construction appropriation at some time and is not classified as Converted, Completed, Terminated, or Suspended.
 - c. Suspended status means the CAP project is not eligible for funding or for execution of an agreement. Suspended CAP projects should be either reaffirmed or terminated. A project will be classified as Suspended if it meets all of the following criteria:
 - (1) It was not named in the Statement of Managers (Conference Report or Joint Explanatory Statement) for the latest fiscal year for which annual appropriations have been made (the Appropriation FY) or any of the preceding three FY's;
 - (2) It did not receive funds in the Appropriation FY or any of the preceding three FY's;
 - (3) It was not reaffirmed in writing by the Non-Federal Sponsor in the Appropriation FY or in any of the preceding three FY's; and
 - (4) It did not have a cost sharing agreement executed in the Appropriation FY or in any of the preceding three FY's.
 - d. Converted status means the CAP project has been changed to a study in Investigations account, or a specifically authorized CAP project in the Construction account, or another non-CAP activity.
 - e. Terminated status means all work has ceased on the CAP project but it is not Completed or Converted.

31 Oct 09

f. Completed status means that the CAP project is physically completed, and the notice of completion and an OMRR&R manual, where applicable, have been provided to the Non-Federal Sponsor.

g. Terminated or Completed projects for which a capability is expressed will be reclassified as Suspended or Active based on whether the project meets the criteria for Suspended.

h. Districts may reclassify projects to Completed, Terminated, or Converted at any time.

4. Processes for Suspension and Reaffirmation. The suspension and reaffirmation process is annual.

a. P2-OFA will continually update project classifications based on namings, funding, reaffirmation, and other data.

b. After work allowances of funds appropriated for the current FY (CFY) have been issued, each District will query P2-OFA to identify the CAP projects that are classified as Suspended in that District. For each Suspended CAP project, the District will ask the CAP project Non-Federal Sponsor, in its discretion, to reaffirm in writing its support and capability for the CAP project. The District may provide the sample below. The sample includes variants to cover CAP projects at different stages of development.

Dear Colonel Smith,

This is to reaffirm the support of the Town of Anytown, USA, for the Anytown Levee project, Texas. **[Choose one of the four following paragraphs, depending on the stage of CAP project development:** (1) The Town of Anytown is willing and has the financial capability to execute a feasibility cost sharing agreement for the project, and a project partnership agreement for the project should the project report be approved. (2) The Town of Anytown will continue to carry out its obligations under the executed feasibility cost sharing agreement, and is willing and has the financial capability to execute a project partnership agreement for the project should the project report be approved. (3) The Town of Anytown is willing and has the financial capability to execute a project partnership agreement for the project should the project report be approved. (4) The Town of Anytown is willing and has the financial capability to execute a project partnership agreement for the project.] The Town understands that under the project partnership agreement it will be responsible for sharing in the costs of the project, acquiring necessary real estate interests, and performing necessary operation, maintenance, repair, rehabilitation, and replacement of the project.

Sincerely,

[Name of Elected/Appointed Official]
Town of Anytown

c. If the CAP project is reaffirmed in writing, the District will enter the reaffirmation date in the CAP database.

d. If the Non-Federal Sponsor indicates that it does not wish to reaffirm the CAP project, or fails to reaffirm the CAP project in a reasonable time, the District will conduct the following actions:

(1) Notify the Non-Federal Sponsor and the local offices of the affected Members of Congress of the pending Termination of the CAP project.

(2) Thereafter, reclassify the CAP project in OFA as Terminated, unless the Non-Federal Sponsor reaffirms the CAP project within a reasonable time after notification. However, for a CAP project with a cost sharing agreement, the agreement should be legally terminated and any required final accounting, reconciling payments, and audit should be performed prior to reclassification of the CAP project as Terminated.

5. Processes for Assignment and Issuance of Funds and Authorization of Agreements.

a. Data on capabilities, namings, reaffirmation dates, and agreement dates, among other things, are used to select projects for funding and to determine funding amounts. Accordingly, CAP Project Managers, Districts, Division Program Managers, and RITs shall ensure that all CAP project data are kept current, and that data QA/QC procedures are implemented on an ongoing basis. Poor data jeopardizes the opportunities for otherwise qualified projects to receive funds.

b. The HQUSACE Program Manager will coordinate decisions on the funding of CAP projects with decisions on authorizations to execute new agreements. The HQUSACE Program Manager will notify the responsible Division of the assignments of funds to its CAP projects, the authorization of any agreements, and any limitations applicable to the issuance of assigned funds.

c. Assignment of Funds. At the start of the CFY, the HQUSACE Program Manager, after advance notice to the Divisions, will select CAP projects to be funded with funds appropriated for the CFY, and will assign CFY funds to those projects, based on "snapshots" of the CAP data and following the priorities in paragraph 6. If the Statement of Managers is not available for the CFY, the Program Manager's selections and assignments will be based on conservative assumptions about namings and appropriations. The amount of CFY funds assigned to each selected CAP project will be equal to stated "CFY Capability" in the CAP database for the project, with the following exceptions:

(1) *HQUSACE will provide the Appropriations Committees with prior notification before assigning funds to any Unstarted CAP project. This sub-paragraph does not apply to the initiation of the D&I phase.*

(2) If the agreement applicable to the phase (Feasibility Cost Sharing Agreement or CAP Project Partnership Agreement) has not been executed and is not scheduled for

execution in the CFY, the total amount assigned will be limited to no more than \$100,000 for the feasibility phase and no more than \$50,000 for the D&I phase, unless a waiver is granted to PGN Appendix F. However, these limits do not apply to phases that do not require agreements, namely, the feasibility phase of Section 206 and 1135 projects with feasibility work already under way as of 31 January 2006, the feasibility phase of Section 14 and 208 projects with Planning and Design Analysis under way as of 31 January 2006 and the decision document approved by 31 January 2007, design work continuously funded since 31 January 2006, or Section 204 feasibility work.

d. Continuing Resolution Act. During the period of a CRA, work allowances are not issued. Rather, the amount of CFY funds assigned to a CAP project will represent the maximum of CFY funds that may be allotted to the project in CEFMS during that period, subject to the normal limitations on CRA allotments.

e. Update of Assigned Amounts Following Issuance of Statement of Managers. If the Statement of Managers was not available for the original assignment of CFY funds, then upon publication of the Statement of Managers the HQUSACE Program Manager will establish a suspense for the Districts to enter complete namings data. ("Naming" means identification in the Statement of Managers for a FY.) Thereafter, the HQUSACE Program Manager will update assigned amounts in accordance with paragraph 5.f.

f. Periodic Updating of Assigned Amounts. After advance notice to the Divisions, the HQUSACE Program Manager will update the CFY amounts assigned to CAP projects, generally on a quarterly basis, based on "snapshots" of CAP data. Updates will be based on changes in CAP data, including project capabilities and agreement schedules, plus any intervening provisions or namings in the Statement of Managers. Assigned amounts will be determined as under paragraph 5.c., and until the end of the CFY the amounts assigned will not be reduced except as a consequence of changes in project capabilities and agreement schedules or of the provisions or namings in the Statement of Managers. The amounts assigned may be increased, provided that unassigned funds are available. Depending on changes in assigned amounts over time, it may be possible to select and assign funds to additional CAP projects in the CFY.

g. Issuance of Funds Following Enactment of Appropriations. Once annual appropriations for the CFY have been enacted, the HQUSACE Program Manager will issue CFY funds as a consequence of each update of assigned amounts. The amount issued to a CAP project through a given quarter in the CFY will be equal to its cumulative capability through that quarter, but not to exceed the amount assigned for the CFY. However, if the agreement applicable to the phase has not been executed, the total amount issued will be limited to no more than \$100,000 for the feasibility phase and no more than \$50,000 for the D&I phase, unless a waiver is granted to PGN Appendix F. These limits do not apply to phases that do not require agreements, as discussed in paragraph 5.c.(2). Further, for a CAP project with design work that was begun under pre-31 January 2006 rules but has not been funded continuously, the HQUSACE Program Manager may issue assigned funds needed to develop and execute the D&I agreement.

h. Authorization of Agreements.

(1) No CAP agreement will be executed without specific authorization from CECW-I. The HQUSACE Program Manager will authorize an agreement if:

(a) The project is Active, the phase requires an agreement, and the phase is fully funded (including Recovery Act funds and regular funds assigned or specified in a naming for the Appropriation FY); or

(b) The project is Active, the phase requires an agreement, and the RIT documents to the HQUSACE Program Manager that Non-Federal Sponsor funds would be lost unless an agreement were executed in the CFY; or

(c) The project is Active, Recovery Act funds or funds carried into, or appropriated for, the Appropriation FY have been assigned to the project, the phase requires an agreement, and the agreement is scheduled for the CFY.

(2) Each authorized agreement will be reviewed, approved, and executed in accordance with current policies and practices (see PGN Appendix F). Note that authorization of an agreement under this Appendix and approval of an authorized agreement under PGN Appendix F are two separate actions.

(3) If an agreement was authorized in the previous FY, and the agreement was not executed, the authorization for the agreement will lapse at the time of the update following issuance of the Statement of Managers, unless the applicable CAP project is assigned funds in that update.

i. If CFY funds are carried over to CFY+1, they will be assigned to projects following the priorities in paragraph 6, but using data applicable to CFY+1.

6. Priorities for Assignment of Funds. The HQUSACE Program Manager will assign funds to CAP projects in the following priority sequence. The amount assigned to each project will be determined in accordance with paragraph 5.c.

a. Funds to Cover Continuing Resolution Act (CRA) Allotments, Specified Amounts, and Coordination. These include CRA allotments made in accordance with HQUSACE guidance on CRA execution pending regular appropriations, plus amounts specified for CAP projects in the CAP tables in the Statement of Managers for the Appropriation FY, plus amounts assigned by the HQUSACE Program Manager for Coordination.

b. CFY Capability-Level Funds for Already-Funded Phases of Projects, Other than Section 14 Projects, that Are Named for the Appropriation FY and Are Covered by Already-Executed Agreements. *Already-funded phases include phases that received specified amounts in the Statement of Managers for the Appropriation FY; consequently, funds over and above specified amounts might be assigned to some projects in this step.*

c. CFY Capability-Level Funds for Already-Funded Phases of Projects, Other than Section 14 Projects, that Are Named for the Appropriation FY and Either Do No Require Agreements (see paragraph 5.c.(2) or Have Agreements Pending in the CFY. Already-funded phases include phases that received specified amounts in the Statement of Managers for the Appropriation FY; consequently, funds over and above specified amounts might be assigned to some projects in this step. If sufficient funds remain after all eligible projects in a CAP section have been funded in step 6.b., in this step the HQUSACE Program Manager will assign to all projects in the section the amounts for which they qualify under paragraph 5.c. If there are insufficient funds for all projects in this step, the HQUSACE Program Manager will assign funds for which projects qualify under paragraph 5.c. to projects in priority order based on the following factors: 1) high overall performance based on outputs, including budgeted projects and including Section 107 projects that SACW has determined produce high priority outputs; 2) high percent fiscally complete, based on the sum of prior FY allocations, any allocations of Recovery Act funds, and any specified amounts for the Appropriation FY compared to total Federal cost; 3) high unobligated carry-in compared to other projects in the same phase; and 4) listing in any Statement of Managers from six FY's prior to the Appropriation FY through one FY prior to the Appropriation FY. Funds might not be assigned to all eligible projects.

d. Funds for Already-Funded Phases of Projects, Other than Section 14 Projects, that Are Named for the Appropriation FY and Require Agreements but Do Not Have Agreements Pending in the CFY. Already-funded phases include phases that received specified amounts in the Statement of Managers for Appropriation FY; consequently, funds over and above specified amounts might be assigned to projects in this step. If sufficient funds remain after all eligible projects in a CAP section have been funded in step 6.c., in this step the HQUSACE Manager will assign to all projects in the section the amounts for which they qualify under paragraph 5.c. If there are insufficient funds for all projects in this step, the HQUSACE Program Manager will assign funds for which projects qualify under paragraph 5.c. to projects in priority order based on the ranking factors in paragraph 6.c., and funds might not be assigned to all eligible projects.

e. Funds for New Phases of Projects, Other than Section 14 Projects, that Are Named for the Appropriation FY but Do Not Have Specified Amounts. If sufficient funds remain after all eligible projects in a CAP section have been funded in step 6.d., in this step the HQUSACE Program Manager will assign to all projects in the section the amounts for which they qualify under paragraph 5.c. If there are insufficient funds for all projects in this step, the HQUSACE Program Manager will assign funds for which projects qualify under paragraph 5.c. to projects in priority order based on the ranking factors in paragraph 6.c., and funds might not be assigned to all eligible projects.

f. Funds, Following Steps 6.b. through e., for Projects, Other than Section 14 Projects and Suspended Projects, Not Named for the Appropriation FY.

g. Funds for Section 14 Projects. The HQUSACE Program Manager will assign capability-level funds, subject to paragraph 5.c., for the Active and Unstarted Section 14 projects that address the most significant risks and adverse consequences, irrespective of phase or previous funding history.

APPENDIX C

Expenses Program Execution Guidance

1. General. The Expenses Program appropriation funds Executive Direction and Management (ED&M) functions of the Civil Works (CW) Programs conducted by Headquarters U.S. Army Corps of Engineers (HQUSACE), Major Subordinate Commands (MSCs) and selected Field Operating Activities (FOAs) providing direct support to those functions. ED&M functions include command and control; development, coordination and issuance of policy; program management in developing, defending and executing all major USACE programs; national and regional level coordination with elements of the Administration, Congress, and other agencies and national stakeholders; and quality assurance to ensure that the Civil Works Program is being executed in accordance with law, policy and regulation. The FY10 Energy and Water Development Appropriations Act (E&WDA) prohibits use of any other appropriation provided in Title I of the Act to fund Civil Works activities of the headquarters or the Civil Works Program ED&M activities of the division offices, except that any Flood Control and Coastal Emergencies appropriation may be used to fund supervision and general administration of emergency operations, repairs, and other activities in response to any flood, hurricane, or other natural disaster. In addition, none of the Expenses funds will be used to implement any pending or future competitive sourcing action under Office of Management and Budget (OMB) Circular A-76 or High Performing Organizations for the U.S. Army Corps of Engineers.

2. Execution. Appropriations for the Expenses Program have been suppressed for several years and continue to remain insufficient to fully fund labor and non-labor requirements for efficient effective accomplishment of the mission. The limited funding necessitates greater management control consistent with 2012 manpower requirements. Since labor funding represents nearly 70% of total funding for the program, labor management is of top priority.

a. Work. Work of the Expenses Program is accomplished through Program/Project/Activities (PPAs), including HQUSACE, the Campaign Account, eight MSCs, six FOAs, and the Commander's Reserve. Within HQUSACE, work is managed by three groups – the two mission directorates, Civil Works and Military Programs, and all others comprising the support group represented by the CoS.

b. Work Allowances and Funding Authorization Documents. Work Allowance Documents (WADs) and Funding Authorization Documents (FADs) provide work and funding authorization to 16 of the 17 PPAs that execute Corps ED&M activities.

c. The Directorate of Resource Management (DRM) allocates funding based on Congressional direction, appropriation, OMB apportionment, and priority.

d. Allocations among PPAs. Allocation of Expenses Program funding among PPAs is accomplished by DRM through successive recommendations of the Program

Advisory Working Group (PAWG), Headquarters Prioritization Group (HPG), and Senior Program and Budget Advisory Council (SPBAC).

e. Allocations within non-HQUSACE PPAs. Allocations within non-HQUSACE PPAs are accomplished for both labor and non labor items at the discretion of the PPAs, mindful of need to maintain adequate force strength.

f. Allocations within HQUSACE. Allocation of Expenses Program funding among the three management groups within HQUSACE is accomplished by the Chief of Staff (CoS) through successive recommendations of the Headquarters Operations Prioritization (HOP) Group and Junior Program and Budget Advisory Council (JPBAC).

g. Allocations within HQUSACE Management Groups. Allocation of Expenses Program funding within the three management groups within HQUSACE is accomplished by the Executive Directors of the mission directorates and CoS through collective recommendations of constituent offices.

h. Allocations within the Campaign Account. Allocations of Expenses Program funding within the Campaign Account is accomplished by the three management groups within HQUSACE by consensus, with the Deputy Commanding General (DCG) serving as arbiter, as necessary. All initiatives of the Campaign Account are assigned to one of the four goals of the Corps' Campaign Strategic Plan. Each of the four goal champions receives a single allocation to be sub-allocated as he/she sees fit to optimize use of available funding in pursuit of his/her goal. Any reallocations between/among goals are accomplished by agreement between/among involved goal champions and coordinated through DRM.

i. Obligation of Allocations. Allocations for any given year, including Campaign Account allocations, must be obligated in that year to the fullest extent practicable. Unobligated amounts, including Campaign Account amounts, are to be returned to DRM IAW dates of the close out plan. Funding of Corps-to-Corps government orders remaining unobligated for 18 months are revoked for reallocation by DRM.

j. Milestone and Obligation Schedules. DCW establishes deadlines for completion, by PPAs, of basic milestone and obligation schedules for both labor and non-labor activities. Labor funding must be devoted to labor activities and scheduled and reported accordingly.

k. Performance Review. The DCW will review performance of all PPAs at monthly Project Review Board (PRB) meetings and Directorate Management Reviews (DMRs) in terms of actual versus scheduled milestones and obligations. The Campaign Goal Champions will review performance of their Campaign Account initiatives continually to optimize use of their allocations in accomplishment of their goals, adjusting production and resourcing schedules as necessary to that end. DRM will host quarterly execution reviews. Any execution level funding not obligated within 2 years will be revoked. Any execution level undelivered order funding not expended within 2 years will be revoked, unless sufficient justification is provided and approved.

3. Details and Developmental Assignments. Persons detailed to vacant positions are detailees for whom funding is provided through PR&C to home offices, obligational authority for cross-charging of labor costs to host offices and MIPRing, to home offices, obligational authority for TDY costs. Persons not filling vacant positions are developmental assignees for whom labor costs are absorbed by home offices, while TDY costs are handled in the same way as for detailees. Funding for developmental assignments and details will derive solely from hirelag provided within the annual funding allocation.

(This page intentionally left blank)

APPENDIX D

Flood Control and Coastal Emergencies Execution Guidance

1. The Flood Control and Coastal Emergencies (FCCE) funded program includes responsibility for disaster preparedness, emergency operations, rehabilitation of flood damage reduction projects, provision of emergency water, advance measures when the threat of flooding is imminent, and participation in the hazard mitigation program.
2. The FY 2010 E&WDAA provided no appropriation for the FCCE program. Unallocated funds from the FY08 War Supplemental (PL 110-252), FY09 Continuing Resolution Supplemental (PL 110-329), and the FY09 Supplemental (PL 111-32) are being used for current preparedness activities. Preparedness activities include personnel salaries, and emergency facilities; the review and updating of response plans based on lessons learned from recent disasters; training of personnel and teams to develop critical skills; procurement and prepositioning of critical supplies and equipment which likely would be otherwise unavailable during the initial response stages; periodic exercises to test and evaluate plans, personnel, and training; inspection of non-Federal flood damage reduction projects to ensure their viability to provide flood protection and assess their eligibility for post-flood rehabilitation; laboratory support for field operations; and liaison with state and local governments and agencies. Available funds will be used to fund emergency management employees salaries and facility costs; conduct limited District/MSD exercise; conduct scheduled inspections of non-federal flood damage reductions projects; perform critical emergency response training; award and maintain necessary emergency contracts for debris, power, water, roofing and ice; and operate and maintain emergency information systems (ENGLink) and Deployable Tactical Operation Systems (DTOS). Be advised that permanent change of station (PCS) costs are funded out of regional rates for districts and from FCCE for MSDs as vacancies are filled..
3. The FY09 Continuing Resolution Supplemental (PL 110-329) and the FY09 June Supplemental (PL 111-32), provided funds for Emergency Operations which continue to be used to support EOC Operations, including field representatives and LNO's in support of emergency activities; technical assistance, floodfight operations, maintenance of equipments and replenishment of supplies used during emergency operations and after action reports. This headquarters will undertake necessary measures to ensure emergency operations activities in the field, such as flood response and EOC activations, will continue.
4. Funding for the following response activities will be provided based on availability of funds: project investigations & rehabilitations; advance measures activities; and emergency water assistance activities. These activities will be prioritized and funded on a case by case basis. To maintain the most critical elements of this program, a funding strategy that establishes a priority for future FCCE execution will be developed to maximize program efficiency and effectiveness, we will follow this strategy:

a. CECW-HS and CECW-IN will perform a review of un-obligated FCCE funds with the MSC and revoke excess unobligated funds for use on unfunded requirements. Project rehabilitations funded by the previous supplemental appropriations will continue. Projects currently funded for E&D or construction will continue.

b. CECW-HS will prioritize rehabilitation projects and provide funding for investigation, E&D and construction based on the project priority and funds available. It is anticipated that additional funding for project rehabilitations in FY09 will be dependent on receiving supplemental appropriations. The following ranking criteria will be used to determine project rehabilitation priorities:

(1) Populations and improved property protected by the damaged Flood Damage Reduction Project:

(a) Urban projects protecting populated urban areas.

(b) Rural projects protecting rural communities

(c) Projects protecting agriculture only areas

(2) Severity of existing project damages:

(a) Category A - Projects that have been breached or have failed

(b) Category B - Projects with major erosion, slumping or seepage damage that could result in project failure during the next flood event.

(c) Category C - Projects with minor erosion, slumping or seepage damage that will not result in project failure during the next flood event.

c. Funding for Continuing Eligibility Inspections and Initial Eligibility Inspections of non-federal Flood Damage Reduction Projects will continue in order to maintain continuity in the inspection program and visibility of local sponsor O&M activities.

d. Funding for preparation of Project Investigation Reports (PIR) for project rehabilitation will continue, if funds are available, in order to identify, validate, and prioritize new requirements. As of this guidance all existing investigation requirements have been funded.

e. Funding for advance measures and emergency water assistance activities will be limited to technical assistance.

5. Program Schedules. Obligation and expenditure schedules are to be developed in P2 by a date to be determined by HQ CECW-I. Follow the guidance detailed in the main body of this guidance document. Districts are required to prepare and enter work schedules in P2/OFA for all FCCE allocations, except Emergency Operation activities. Emergency Operation activities requiring Category 200 FCCE funds will not be

scheduled in P2. These activities include EOC Operations, field representatives and LNO's in support of emergency activities; technical assistance; floodfight operations; maintenance of equipments and replenishment of supplies used during emergency operations; and after action reports. USACE emergency/disaster assistance is limited to the preservation of life and the protection of residential and commercial developments, to include public and private facilities that provide public services. The timely response of critical USACE assets in emergency operations precludes the entering of P2 data and schedules.

6. HQ requests that commanders take the necessary actions to ensure that the FCCE program is executed according to the above strategy in coordination with HQ staff and inform appropriate public sponsors of these funding limitations. If necessary, a request for the transfer of funds from other accounts will be initiated.

(This page intentionally left blank)

APPENDIX E

Formerly Utilized Sites Remedial Action Program (FUSRAP)

1. The purpose of this document is to provide guidance on the execution of the FUSRAP program. The objective of FUSRAP is to identify, evaluate, and remediate sites with radioactive contamination resulting from Manhattan Engineering District (MED) and Atomic Energy Commission (AEC) activities. USACE uses three outcome performance measures to indicate progress meeting this objective:

- a. Minimize risk to human health and the environment
- b. Maximize the cubic yardage of contaminated material disposed in a safe and legal disposal facility; and
- c. Return the maximum number of affected individual properties to beneficial use.

The appropriation for FY 2010 is \$134,000,000. The direction provided in this document is in accordance with the direction from Congress.

2. Programmed Schedule. Obligation and expenditure schedules are to be developed in P2/OFA by a date to be determined by HQ CECW-I. Follow the guidance detailed in the main body of this guidance document. These P2/OFA obligation and expenditure schedules will be the baseline schedules for measuring FY 2010 execution.

3. Programmed Carryover. Carryover that is scheduled for business reasons includes funds obligated on fully funded contracts, real estate actions, etc. that are not scheduled to be completed until FY11 or later.

4. Work Allowances. Follow the guidance detailed in the main body of this guidance document. Work allowances will be provided based on the funding information provided by CECW-IN at the 27 October 2009 program meeting.

5. Execution Metrics. With emphasis on producing products and providing services on time, a project baseline shall be created in Primavera Project Manager at the same time that the obligation and expenditure baseline is created in OFA to allow for comparison of work scheduled versus work performed. Baseline schedules will be compared to actual execution each month as a measure of USACE's ability to plan and execute work. To determine whether USACE is meeting its commitments to customers, stakeholders, and the Congress, the following metrics/performance measures will be used by HQUSACE to monitor program execution:

Six performance measures listed below serve as indicators to assist in monitoring progress in meeting the program objective. These measures are listed in OFA. Districts are to schedule in P2/OFA the completion of these measures as appropriate.

The indicators are:

a. **Number of records of decision (ROD) signed.** As studies are completed and best alternatives for cleanup activities are decided, the number of RODs will increase. A final ROD establishes the final cleanup standard, which controls the actual estimate of the remaining environmental liability for each site.

b. **Number of Remedial Investigations (RI) completed.** The RI establishes the baseline risk assessment whereby the level of risk to human health and the environment is identified.

c. **Number of action memorandums signed.** Where warranted by risk or other limited factors, action memorandums allow USACE to move toward reducing risk more rapidly than through production of a ROD. No action memorandums are presently identified.

d. **Cubic yardage of contaminated material disposed.** Target soil amounts are dependent on previous year funding and scheduled activities.

e. **Individual properties returned to beneficial use.**

f. **Number of remedies in place or response complete.** As select portions of sites or complete sites meet their remedial action goals, the risk to human health and the environment is reduced to within acceptable levels and properties are able to be used within a community without fear of increasing cancer risk or further degrading the environment.

6. Reprogramming Limits. Section 101 (a) (10) and 101(b) establish legal limits restricting reprogramming authority. The baseline is defined as the unexpended carry-in funds plus the new allocated FY 2010 funds. For FUSRAP, the following reprogramming restriction applies: **reprogramming is restricted to up to 15 percent of the baseline of the receiving project or \$49,999, whichever is higher.**

Example: Project 1 has received \$10M in FY 2010 appropriated funds and has \$500K in unexpended FY09 funds. Project 2 has received \$250,000 in FY10 appropriated funds and carried over \$50K in unexpended FY09 funds. During the 4th quarter additional needs are identified at Project 2 and excess funds are available at Project 1. Under the FY 2010 reprogramming rule, Project 2 can receive only \$49,999 ($\$300,000 \times 15\% = \$45,000$ which in this case is less than \$49,999) without prior notification to the Committees being required.

Note: Districts shall notify Division and HQ (CECW-IN) by email of **all** reprogramming and/or reallocation actions prior to the initiation of the movement of funds in P2/OFA.

APPENDIX F

Regulatory Program Execution Guidance

1. The purpose of this document is to provide guidance on the execution of the Regulatory program. USACE's regulatory program mission is to protect aquatic resources while allowing necessary, sustainable development. USACE's jurisdiction extends to the navigable waters, their tributaries, and adjacent wetlands. USACE uses three program goals to indicate progress meeting this objective.

- a. No Net Loss of Aquatic Resources to include acreage as well as functions
- b. Avoidance and Minimization of Impacts to Aquatic Resources
- c. Permit Processing Timeframes

The appropriation for FY 2010 is \$190,000,000.

2. Programmed Schedule. Obligation and expenditure schedules are to be developed in P2 by a date to be determined. These P2 obligation and expenditure schedules will be the baseline schedules for measuring FY 2010 execution. Follow the guidance detailed in the main body of this Circular.

3. Programmed Carryover. Carryover that is scheduled for business reasons includes funds planned for obligation on future fully funded contracts, or on other transactions such as real estate, that are not scheduled until FY 2011 or later.

4. Work Allowances. Follow the guidance detailed in the main body of this Circular.

5. Execution Metrics. With emphasis on linking performance with budget levels, obligation and expenditure baselines will be created in P2. Budget execution will be compared with the eight performance measures listed below to allow for confirmation that Districts are striving to meet all performance goals. The Regulatory Program goals and performance measures were developed through a collaborative process through the OMB Program Analysis and Review Tool (PART). These performance measure targets are an important aspect of measuring program performance and adequate levels of funding. They have been included in the Command Monitoring Requirements (CMR) to track performance and to continue to analyze the link between District execution for each measure, District budgets, and workload. Districts and Divisions are required to report performance for each of these performance measures each quarter, through the CMR chain. To reduce workload in the field, Headquarters will be running these reports at the national level. HQUSACE will provide all Districts and Divisions a 10 day period before the performance reports are run to insure all data is up to date.

For FY 2010, Districts have received funding based on a \$190 million Congressional appropriation for the national Regulatory program. Districts must manage their

Regulatory Program budget carefully to ensure labor for all on-board staff is covered. The funds allocated for FY 2010 do not take into account locality pay increases or increases associated with individual performance and other increases in the costs of doing business. To address these concerns, HQUSACE has maintained the FY 2009 target levels of performance. To determine whether USACE is meeting its commitments to customers, stakeholders, and the Congress, the following eight performance measures will be used by HQUSACE to monitor program execution:

<i>Measure</i>	<i>FY 2010 Performance Targets</i>
1. Individual Permit Compliance The Corps shall complete an initial compliance inspection on XX% of the total number of all individual permits (including LOPs) issued during the preceding FY where authorized work is underway.	10%
2. General Permit Compliance. The Corps shall complete an initial compliance inspection on XX% of the total number of all General Permits (including NWP) issued during the preceding FY where authorized work is underway.	5%
3. Mitigation Site Compliance The Corps shall complete field compliance inspections of XX% of active mitigation sites each fiscal year. Active mitigation sites are those sites authorized through the permit process and are being monitored as part of the permit process but have not met final approval under the permit special conditions (success criteria).	5%
4. Mitigation Bank/In Lieu-Fee Compliance The Corps shall complete compliance inspections/audits on XX% of active mitigation banks and in lieu fee programs annually.	20%
5. Resolution of Non-compliance Issues. The Corps will reach resolution on XX% of all pending non-compliance actions for permits with special conditions and/or mitigation requirements that are unresolved at the end of the previous fiscal year and have been received during the current fiscal year.	20%
6. Resolution of Enforcement Actions. The Corps shall reach resolution on XX% of all pending enforcement actions (i.e., unauthorized activities) that are unresolved at the end of the previous fiscal year and have been received during the current fiscal year.	20%
7. General Permit Decisions. The Corps shall reach permit decisions on XX% of all General Permit applications within 60 days.	75%
8. Individual Permits. The Corps shall reach permit decisions on XX% of all Standard Permits and Letters of Permission (LOPs) within 120 days. This standard shall not include Individual Permits with Formal Endangered Species Act (ESA) Consultations.	50%

6. Reprogramming. Headquarters approval is required prior to redistributing funds between districts.

7. Additions or deductions to or from any accounts resulting in changes of 30% or more from the account's initial allocation requires approval from Headquarters.

8. MSCs should establish parameters that allow Districts to transfer funds among Permit Evaluation, Enforcement, and Compliance accounts, including what percent change to each category Districts can make without MSC approval.

a. Under Permit Evaluation 29100, all funds should be identified in one account (008204), which covers all activities according to the work breakdown structure in P2.

b. Under Enforcement 29210, all funds should be identified in one account (008205).

c. Districts should monitor funding under the Compliance of Authorized Activities and Mitigation account 29800 (010688) to ensure appropriate types of work are being charged to Compliance.

d. No funds may be moved into or out of the Studies account 29300 (088890) or the EIS account 29500 (088890) without Headquarters approval.

9. Obligation Schedule and Fund Distribution: Funds are distributed to each District based on an allocation formula which considers the following factors.

- a. Workload,
- b. Performance,
- c. Locality pay costs,
- d. Growth/Wetland factor and
- e. Efficiency factors

Some funds have been retained at HQUSACE for potential litigation, improvements to ORM-2 (including on-line permit application), and emerging requirements during the year. Regulatory chiefs are expected to budget the funds to avoid furloughs and conform to the above performance measures. Divisions should not expect to receive additional funds from HQUSACE to cover normal operating expenses near the end of the year.

(This page intentionally left blank)

APPENDIX G

Use of Program Code in P2

1. The P2 Program Code data field is used to correlate P2 projects with line items contained in Congressional Appropriation bills, reports and acts. The associated Program Code Description field contains the “official” project name such as shown in the authorizing legislation. The Program Code is a project level code which is entered in Oracle Projects (OP). Only those Program Codes which are on the list of valid values in OP can be selected. A P2 project can be associated with only one Program Code.

2. In CEFMS, the data field named AMSCO is used to identify projects at the Congressional line item level. In the PRISM legacy system, which has been replaced by P2, this identifier was known as CWIS or PWI. (Note that CEFMS also contains a data field named PWI (Project Work Item) which is a separate number and is not addressed by this guidance.) Funds have historically been budgeted and allocated using the AMSCO/CWIS/PWI number. All P2 projects that are associated with an historic AMSCO/CWIS/PWI should populate the Program Code field in OP with this historic AMSCO/CWIS/PWI number. Projects that are initiated in P2 and are not associated with an historic AMSCO/CWIS/PWI project (i.e. new projects), will also need a Program Code assigned. For these new projects, the new Program Code and AMSCO will be the same as the P2 Project Number which is generated when the project is initiated in OP. If there are multiple P2 projects that are budgeted and funded as one Congressional line item, and that line item is not associated with an historic AMSCO/CWIS/PWI, then the P2 Project Number of the first P2 project established for the Congressional line item, or the “parent” project, if any, will be added to the list of valid Program Codes, and entered as the Program Code in OP for this project and all subsequent associated P2 Projects.

3. To add a new AMSCO to the CEFMS list of valid AMSCO values, users must submit a request to the Finance Center (CEFC-AF), including the number, name, and the appropriation account(s) that will provide funding for the AMSCO. HQUSACE receives a daily list of new AMSCO entries, and after review HQUSACE adds these to the list of valid Program Codes in OP. In most cases a new AMSCO added to CEFMS should be available in OP within 2 or 3 days. If a Program Code is missing from the OP list and needs to be added, or if a Program Code name needs to be changed, a request should be submitted to Karl Nilson (cf: William Caldwell) at HQUSACE via e-mail. Include the proposed Program Code number (typically the P2 Project Number for a new project) and name. The name should be the “official” project name such as shown in authorizing legislation. The state(s) in which the project is located should be identified at the end of the name. Please follow the same naming standard for both Program Code name and AMSCO name. Requests for new Program Codes will be reviewed by HQUSACE, and then the new Program Code number and name will be added to the list of valid Program Code values in OP. The District/Lab/Center will then need to log-in to OP and enter the Program Code into the Program Code field on the applicable P2 project(s).

4. After a Program Code is assigned to a P2 project in OP, the Program Code will be visible in Oracle Financial Analyzer (OFA) the following day after completion of the nightly OFA load process. The OFA-CW data entry forms for the PBS, CWAS, CAP, and 2101 modules require that a Program Code must be assigned on a project before the data entry form can be used to submit data updates for that project.

5. Within OFA-CW, the Project dimension contains two hierarchical views that utilize the Program Code. These views are named "Program Code View" and "EROC/Program Code View". These views can be used to produce reports organized by Program Code, with the capability to drill down to the individual P2 project(s) within each Program Code. Projects that have not yet been assigned a Program Code are listed under "N/A". Each MSC/District/Lab/Center should run data quality reports to find and correct instances of "N/A" Program Codes, and assure that a valid Program Code has been assigned to every CW direct funded P2 Project which has status of "Approved".

6. In most cases, the P2 Program Code should be the same number used as the AMSCO in CEFMS. There may be exceptions, such as:

a. There are some cases where the same historic AMSCO/CWIS/PWI was inadvertently assigned to two different Congressional line-items. Since the Program Code is a unique USACE-wide identifier, only one Congressional line-item may use the historic AMSCO/CWIS/PWI as the Program Code and a new Program Code will need to be established for the other Congressional line-item. In some of these cases, we resolve this situation by assigning a new number to be used as the AMSCO/Program Code for one of the duplicates. An alternative solution in some cases is to continue using the same AMSCO on both items, but for one of the items add a "-1" to the end of the Program Code to differentiate it from the other Program Code.

b. In some cases, particularly in FCCE, Regulatory, and in some Labs and Centers, an individual P2 project is funded from multiple AMSOs. In these cases, we usually recommend that a "primary" AMSCO be assigned as the Program Code.

Report cases such as these where there is a question concerning the application of this guidance to HQUSACE (CECW-IN, Attn: Karl Nilson). If the Program Code assigned to a project must be different from the historic AMSCO/CWIS/PWI previously used for the project, be sure to enter the historic AMSCO/CWIS/PWI in the Legacy Project Number data field in OP so that historic data can be associated with the new Program Code.

7. Points of contact for this guidance are Karl Nilson (202-761-4215) and Bill Caldwell (202-761-4094).

APPENDIX H

Reprogramming-Related Definitions

1. The **baseline** for a PPA or non-PPA is equal to the unexpended carry-in, plus the amount, if any, identified in the FY 2010 E&WDAA or in the tables in the Statement of Managers for FY 2010, plus any additional amount allocated in a work allowance or work allowances in FY 2010 (including allocations of any FY 2010 supplemental funds and allocations of collected appropriation reimbursements in FY 2010 – see Appendix I), minus statutory rescissions or deductions, but excluding reprogrammings and reallocations. Note that each allocation increases the baseline of the applicable PPA or non-PPA. All funds allocated or sub-allocated to the PPA or non-PPA are included, even if they were issued using more than one category-class-subclass. Funds issued using appropriation 8861 (Inland Waterways Trust Fund) and carried into FY 2010 are included in the baselines for appropriation 3122 (Construction). In FY 2010, the one percent deduction applied to line items in the Operation and Maintenance account is a statutory deduction that reduces the baseline. The term is synonymous with the terms base amount, base level, and base used within section 101(a) the FY 2010 Act.

2. **Changed conditions** are equivalent to differing site conditions, for purposes of Construction and MR&T Construction reprogrammings. The costs of changed conditions eligible for reprogramming under the “changed conditions” reprogramming rule will be considered to be the same as the costs of equitable adjustments to contracts resulting from differing site conditions. The FAR clause 52.243-5 refers to changed conditions as “.....subsurface or latent physical conditions differing materially from those indicated in this contract or unknown unusual physical conditions at the site....” that is, differing site conditions.

3. The **cumulative net amount** is the net value of all reprogrammings into and out of a PPA on or after the date of the applicable E&WDAA, until enactment of the next E&WDAA (excluding reprogrammings of CRA funds for the next FY during the CRA period). Reprogrammings into and out of a PPA offset each other, at least in part. The cumulative net amount is used to determine whether limits for reprogramming have been exceeded. See Appendix I for business rules on limits. See Appendix J for examples.

4. A continuing PPA that “**did not receive an appropriation**” is a continuing PPA for which no funds were specified in the FY 2010 E&WDAA, no funds were specified in the accompanying Statement of Managers tables, no funds otherwise were received from CECW-I in a work allowance from funds appropriated in the FY 2010 E&WDAA, and no funds were specified in a supplemental appropriations Act for FY 2010. For a top-level line item PPA, funds must have been specified in the FY 2010 E&WDAA or supplemental Act or the Statement of Manager tables. For a sub-item that is a PPA within a remaining item, funds must have been specified in the Act or the tables, or issued in a work allowance to the sub-item as a consequence of funds being specified in the Act or the tables for the remaining item. If a PPA received FY 2010 funds only

from supplemental appropriations (except as specified in any supplemental appropriations Act for FY 2010), or funds from the Recovery Act, or funds appropriated for a previous FY and carried in, or no FY 2010 funds at all, it “did not receive an appropriation.”

5. An **emergency** is an actual or imminent natural disaster, storm event, other act of God, accident, act of terrorism, or failure event for a key project component, that damages or would damage project functions such that substantial and immediate health, safety, economic, or environmental risks or impacts are or would be created. An emergency is an actual or imminent event of significance. A gradually or incrementally developing condition is not an emergency.

6. “**For existing obligations and concomitant administrative expenses**,” as included in Section 101(a) (6) and (7) of the FY 2010 E&WDAA, means for accomplishing work that was initiated in a prior fiscal year and for the purpose of satisfying existing financial, legal, or contractual obligations and associated administrative expenses. This term must be construed narrowly. Examples include: paying in-house labor for costs associated with a contract for which performance is still under way; reserving additional funds on an already-awarded “true” or “special” continuing contract; making payments on an already-executed lease; and financing a contract modification due to differing site conditions. This term applies only to PPAs in the Investigations and MR&T (Investigations) accounts (\$50,000 limit) and the Construction and MR&T (Construction) accounts (\$300,000 limit). See Appendix I.

7. A **new PPA** is a PPA that has never received a work allowance in the applicable appropriation account.

8. A **P2 Program Code** is a mandatory field in P2 used to store the unique Congressional line-item identifier. See appendix G.

9. A **program, project, or activity (PPA)** is a water resources project study; a specifically authorized water resources project; an authorized environmental assistance program; a project in the Formerly Utilized Sites Remedial Action Program; a project in the Continuing Authorities Program; work that has received an allocation in any Act or been directed to be performed in any Act; an item or sub-item appearing in the tables in any Statement of Managers for any fiscal year; or work that has received an allocation within the tables in any House Report or Senate Report for any fiscal year if not superseded by the applicable Statement of Managers. A sub-item that has appeared in any such table is a PPA within a line item PPA.

10. A **reallocation** is a movement of previously allocated funds that is within a PPA and that is into or out of a sub-item that is not itself a PPA. Movements of funds between study phases and other movements of funds within the same PPA (other than into or out of PPAs within that PPA) are reallocations.

11. A **reconciliation** is an increase in the current FY work allowance for a PPA, Program Code, or P2 Project to equate its work allowances to its CRA allotments in

CEFMS, or the offsetting reduction in work allowances and allotments on other projects with carry-in to finance the increase.

12. **A reprogramming** is any movement into or out of a PPA of funds assigned to that PPA.

a. The revocation from a PPA of funds previously allocated through a work allowance is a reprogramming.

b. The allocation to a PPA of funds previously revoked from another PPA is a reprogramming.

c. For funds identified in the Statement of Managers for a PPA, the allocation of those funds by HQ to a PPA other than that identified is a reprogramming from the identified PPA to the other PPA.

d. In the case of a PPA that is part of a parent PPA and does not have its own Program Code, movement of funds into or out of the project funding account in CEFMS for the PPA is a reprogramming

e. During the period of a CRA, the re-allotment to or from a PPA of funds already allotted is a reprogramming.

(This page intentionally left blank)

APPENDIX I

Standard Operating Procedures for Recording Work Allowances, Reprogrammings, and Other P2-OFA Transactions

1. Purpose.

a. To comply with statutory limits on reprogrammings. In particular, to ensure that reprogrammings to or from “named” sub-items are properly recorded, that reprogrammings into or out of “parent” remaining items that result from reprogrammings to or from “children” are properly recorded, and that previously revoked funds are not inadvertently issued as newly appropriated funds.

b. To facilitate and automate the tracking of undistributed funds and their assignment to the proper programs, projects, and activities (PPAs).

2. Definitions. Tables in Statements of Managers customarily list major items (top-level line items) and sometimes, within the top-level line items, particular second-level items (sub-items).

3. Specifically Authorized Studies and Projects, including Environmental Infrastructure Programs.

a. Each study or project funded by a top-level line item must have a P2 Program Code. The P2 Project number for the top-level item is the same as the P2 Program Code. Funds identified in a line item for a study or project are issued to the P2 Program Code using the C (Conference) transaction code. Where the study or project spans multiple EROCs, the total is distributed in multiple C-coded work allowances.

b. Each program, project, or activity (PPA) that is within a P2 Program Code and is named, that is, for which the Statement of Managers tables identify an amount in a second-level sub-item, must have a P2 Project number that is different from the P2 Project number for the top-level line item (but shares the same Program Code). In the case where a second-level sub-item is named, HQ will issue funds to that second-level sub-item in a work allowance that uses the C transaction code and identifies both the Program Code of the top-level line item and the P2 Project number of the second-level sub-item, and will reduce the amount issued unrestricted to the top-level line item accordingly.

c. Where funds are withheld from a PPA receiving a C allocation, the H (Withhold Conference) transaction code is used. The full amount from the table is issued using the C transaction code, and a negative work allowance is issued for the withheld portion using the H transaction code. Later, the withheld portion may be issued in one or more work allowances using the ALW (Allocation of Withheld) transaction code.

- d. Supplemental funds are issued using the SUP (Supplemental) transaction code.
- e. Pursuant to References l and m of the main text, appropriation reimbursements are collected into four P2 Program Codes (99951 through 99954) at all Districts. These funds are not available to the collecting Districts. To make the funds available to the collecting or other Districts, HQUSACE issues a negative work allowance against one of the four P2 Program Codes in one or more Districts using the ALC (Allocation – Collected Funds) transaction code, and issues the funds in an equal and offsetting amount to the P2 Program Code for the recipient project using the ALC transaction code. Issuance of collected funds in this manner is not a reprogramming.
- f. Corrections. Corrections are accomplished by issuing a negative work allowance in the original code (C, ALL, ALN, etc.). The funds are then available for issuance.
- g. Rescissions are applied on a pro-rata basis to each named sub-item (that is, each PPA funded in the Conference for that year), then to each top-level line item. The rescission from the top-level line item is applied on a pro-rata basis against the balance net of the amounts identified for the named sub-items. The rescissions are applied by issuing negative work allowances with the RES (Rescission) transaction code.
- h. Reprogramming to or from a study, project, or any other PPA is coded as CGR (requiring prior Congressional notification), EMR (reprogramming in the O&M account or the M portion of the MR&T account to respond to an emergency, which requires post-fact Congressional notification), or as REP (other reprogramming). To determine whether a reprogramming exceeds reprogramming thresholds and therefore requires prior Committee notification, P2-OFA computes the baseline for the project, computes the threshold based on the baseline, and compares cumulative net reprogrammings, including the proposed reprogramming, to the threshold. Both regular funds and supplemental funds (excluding Recovery Act funds) are included in the computations, and the baselines, thresholds, and cumulative net reprogrammings combine regular and supplemental (excluding Recovery Act) funds. The CGR and REP codes may each apply to the receiving project, or the donor project, or both. In the O&M account and the M portion of the MR&T account, any reprogramming of supplemental funds may be coded as EMR, and a reprogramming of regular funds may be coded as EMR if it qualifies (see paragraph 7 of this Circular). For a transaction involving the EMR code, the code applies to the donor project when it applies to the receiving project.
- i. Movement of funds within a PPA into or out of a sub-item that is not itself a PPA is coded as a reallocation, RLC.
- j. Funds previously reprogrammed from PPAs by HQ and included in the undistributed balance will be reissued to studies and projects using the applicable transaction code of REP, EMR, or CGR for PPAs or RLC for non-PPAs. These funds are not the same as previously unissued funds.
- k. Reprogramming of never-issued or withheld funds is treated as a simultaneous issuance and reprogramming. The funds are issued to the originally intended PPA as C

or ALW, as the case may be, with a positive work allowance, and simultaneously reprogrammed away with a negative REP, EMR, or CGR work allowance.

4. Programmatic Remaining Items.

a. A Programmatic Remaining Item is a Remaining Item that is carried out with all work having the same Program Code. See Table I-1.

b. Funds are issued to one or more EROCs through work allowances using the C transaction code. One hundred percent of the funds are issued once annual appropriations are available. No funds are withheld. The receiving EROCs may issue MIPRs as needed to carry out the work.

c. Allocations, corrections, rescissions, reprogrammings, and reallocations are managed in the same manner as for specifically authorized studies and projects, as described in paragraph 3 above.

5. Parent Remaining Items.

a. A Parent Remaining Item is a Remaining Item comprised of studies or projects that are authorized as components of the Remaining Item. The component, "child" studies or projects have their own P2 Program Codes, but they are not separately authorized. See table I-1. All of the child studies and projects share the same unique category-class-subclass (CCS) or set of CCS.

b. Each Parent Remaining Item has a "dummy" P2 Program Code. This P2 Program Code is used for certain transactions, but no work is executed under the Parent. The dummy P2 Program Code is also used in budget development. The dummy P2 Program Code is for pass-through of funds and does not have a net balance.

c. Regular funds are distributed directly to the various child studies or projects in multiple EROCs by work allowances using either the C transaction code or the ALL transaction code. The C transaction code is used where an amount was identified in the tables for the child study or project as a sub-item under the Remaining Item, and the ALL (Allocation – Other) code is used where an amount was not identified. Funds are not distributed to the Parents themselves. The H transaction code is not used. Funds may be distributed over time.

d. Supplemental funds are distributed directly to the child studies or projects using the SUP transaction code. Funds are not distributed to the Parents themselves. The H transaction code is not used. Funds may be distributed over time.

e. Rescissions are applied to the named children on a pro-rata basis. The RES transaction code is used. The remainder of a rescission that was not applied to the named children is applied to the Parent itself using the dummy P2 Program Code, as follows: 1) funds in the amount to be rescinded are issued to the dummy P2 Program

Code using the C transaction code; and 2) simultaneously, these funds are rescinded using the RES transaction code.

f. Corrections are managed in the same manner as for specifically authorized studies and projects, as described in paragraph 3.f. above.

g. Reprogramming and Reallocation.

(1) Never-issued funds that instead are to be issued to a different PPA are simultaneously: a) issued to the dummy P2 Program Code using the C transaction code; and b) reprogrammed from the dummy P2 Program Code using the REP, EMR, or CGR transaction code. At that point, the revoked funds may be issued simultaneously to the other PPA, or held as undistributed funds and issued later. Whenever the revoked funds are issued, they are issued using the REP, CGR, or RLC transaction code, the same as with studies and projects as described in paragraph 3.j.

(2) Funds previously issued to children using the C, ALL, or SUP transaction codes may be reprogrammed or reallocated, respectively, among the children, using the REP, EMR, or CGR transaction code for PPAs and the RLC code for non-PPAs. A “put” may have a different code from a “take.”

(3) Funds previously issued to a child may be reprogrammed to a different PPA, that is, out of the Remaining Item altogether, using the RLC, REP, EMR, or CGR transaction code for the child. P2-OFA checks compliance with reprogramming limitations not only for the child (if applicable), but also for the Parent, as follows. P2-OFA sums all of the RLC, REP, EMR, and CGR coded transactions for the unique CCS or set of CCS for the Remaining Item, sums the unexpended carry-in and current FY allocations for the unique CCS or set of CCS for the Remaining Item, calculates the reprogramming threshold for the Remaining Item, and compares the net (positive or negative) summed transactions, including the proposed transaction, to the reprogramming threshold for the Remaining Item.

(4) Funds from outside the Remaining Item may be reprogrammed to a child. Funds are not reprogrammed to the Parent. P2-OFA checks compliance with reprogramming limitations for both the child (if applicable) and the Remaining Item in the same manner as in the preceding paragraph.

6. Funding Pot Remaining Items.

a. A Funding Pot is a Remaining Item that serves as one source of funds for certain work on specifically authorized studies or projects that have their own Program Codes and exist independent of the Funding Pot. The specifically authorized studies and projects funded by the Funding Pot also may receive funds on their own in the same fiscal year. Some of the Funding Pot Remaining Items are listed under Remaining Items, such as the Dam Safety Assurance, Seepage Control, and Static Instability Correction line item or the Dredged Material Disposal Facilities line item in the Construction account, while other Funding Pot Remaining Items are listed under States,

though they are by nature Remaining Items and not specifically authorized studies and projects. An example of the latter is the Michigan Small Harbors line item in the O&M account. Also, some Remaining Items, such as Research and Development, have been treated as Funding Pots by tradition, with the sub-items having their own Program Codes. See Table I-1.

b. Regular funds are distributed from a Funding Pot to various studies or projects in multiple EROCs by work allowances using the C or ALL transaction code, in the same manner as for Parent Remaining Items, as described in paragraph 5.b. above. Regular funds are not distributed to the Funding Pots themselves. The H transaction code is not used. Funds may be distributed over time.

c. Supplemental funds are not distributed through Funding Pots. They are distributed directly to specifically authorized studies and projects.

d. Corrections are managed as described in paragraph 3.f.

e. Rescissions are applied on a pro rata basis to the recipient studies and projects. The RES transaction code is used.

f. Once funds are issued from a Funding Pot Remaining Item to a recipient, the funds become part of the reprogramming baseline for the recipient. Funds originating from a Funding Pot and funds provided to the recipient as a consequence of Conference action are indistinguishable in computing reprogramming thresholds and tracking cumulative net reprogrammings.

g. Funds are not reprogrammed into or out of Funding Pots. Funds are reprogrammed among recipient studies and projects in accordance with paragraph 3.h.

7. Non-Offsetting Transactions. A non-offsetting transaction is a reprogramming or reallocation that is not offset by another reprogramming or reallocation. The net effect of a non-offsetting transaction is that HQUSACE is either retaining reprogrammed or reallocated funds and adding them to the undistributed balance, or providing reprogrammed or reallocated funds and subtracting them from the undistributed balance. Accordingly:

a. HQUSACE account manager approval is required for any non-offsetting transaction.

b. Account Managers will not approve non-offsetting reprogrammings that increase the unissued balance by minor amounts, since these funds must be tracked as reprogrammed funds. Instead, the Division should identify a recipient within the Division and process the transaction.

8. Tracking of Allocations. Allocations will be tracked as follows.

a. Studies, projects, and Programmatic Remaining Items each have a unique P2 Program Code. They will be tracked by P2 Program Code.

b. Parent Remaining Items each have a unique CCS or a unique series of CCS. They will be tracked by CCS. If the sum of funds issued in a fiscal year for that CCS or series of CCS is less than the Conference amount, the difference is funds not yet issued for the Remaining Item. Since the C and ALL transaction codes are used for issuance of the funds, these codes may be used to verify balances.

c. Funds from Funding Pot Remaining Items are issued using the C and ALL transaction codes and a defined (but not unique) CCS or set of CCS. Funds issued from Funding Pots must be tracked off-line, since the CCS are not unique and any C-coded allocations will be indistinguishable from allocations made to the PPA as a top-level line item.

d. Account Manager Responsibilities. The unissued balance is a combination of withheld funds, never-issued funds, and the net amount of funds resulting from non-offsetting transactions, each of which the Account Managers are responsible for tracking. When issuing funds, the Account Managers must distinguish between never-issued funds, which are issued using the various allocation transaction codes, withheld funds, which are issued using the ALW transaction code, and previously revoked funds, which are issued using the REP, EMR, CGR, and RLC transaction codes.

9. P2-OFA Business Rules for PPAs. In P2-OFA, moving funds to or from the following are treated as REP, EMR, or CGR, as they are PPAs.

a. A specifically authorized water resources project study, based on type or types of funds, including funds received from Funding Pot Remaining Items.

b. A specifically authorized water resources project, based on type or types of funds, including funds received from Funding Pot Remaining Items.

c. An environmental infrastructure program, based on type of funds.

d. A CAP project, based on type or types of funds.

e. A FUSRAP project, based on type or types of funds.

f. Any P2 Program Code that ever received a C-coded or SUP-coded allocation or an allocation with a CCS specific to a supplemental appropriation, unless an override is approved by the Division and Account Manager.

g. Any P2 Program Code or P2 Project that the Division and the Account Manager approve to be coded as a PPA, after review of previous Statement of Managers tables.

10. P2-OFA Transaction Codes. P2-OFA transaction types and codes for FY 2010 are shown in Table I-2. Updated guidance will be available at the Training tab in the PMBP Portal.

TABLE I-1

CLASSIFICATION OF REMAINING ITEMS (INCLUDING REMAINING ITEMS UNDER STATES) 1/

FOA	Proj code	CCS	Remaining Item	Type
			INVESTIGATIONS	
ERDC	328393	180	Access to Water Data	P
ERDC	53919	294	AIS Support Tri-CADD	P
ERDC	53836	280	Coastal Field Data Collection	P
IWR	126628	291	Committee on Marine Transportation Systems	P
IWR	53856	292	Environmental Data Studies	P
IWR	133938	179	Flood Risk Mgmt (FEMA/MAP MOD Coord.)	P
IWR	53918	295	Flood Damage Data	P
multiple	NA	250	Flood Plain Management Services	P-C
LRD	NA	197	Great Lakes Remedial Action Plans (listed under States)	P-C
multiple	53820	260	Hydrologic Studies	P
NA	NA	NA	Independent Peer Review	FP
multiple	53900	240	International Water Studies	P
IWR	53929	140	National Shoreline Study	P
SPD	53923	181	Other Coord -- CALFED	P
NAD	17253	171	Other Coord -- Chesapeake Bay	P
multiple	53907	181	Other Coord -- Coord w/ Other Agencies	P
MVD	17251	171	Other Coord -- Gulf of Mexico	P
HQ	53921	178	Other Coord -- Interagency / International	P
multiple	14713	173	Other Coord -- Interagency Water Res. Dev.	P
multiple	14405	174	Other Coord -- Inventory of Dams	P
SPD	53931	181	Other Coord -- Lake Tahoe	P
multiple	53933	175	Other Coord -- National Estuary Program	P
multiple	53904	176	Other Coord -- North American Waterfowl	P
NWD	17252	171	Other Coord -- Pacific NW Forest Cases	P
multiple	17250	171	Other Coord -- Special Investigations	P
multiple	NA	186	Planning Assistance to States	P-C
HQ	151558	296	Planning Support Program	P
HQ	88039	220	Precipitation Studies (NWS)	P
ERDC	31293	293	Remote Sensing/GIS Support	P
ERDC	NA	300 series	Research and Development	P-C
ERDC	53850	270	Scientific & Technical Info Centers	P
UFC	53890	210	Stream Gaging (USGS)	P
IWR	53841	291	Transportation Systems	P
multiple	76371	179	Tribal Partnership Program	P

			CONSTRUCTION	
multiple	75098	740	Aquatic Plant Control Program	P
NA	NA	multiple	Continuing Authorities Programs	P-C
multiple	multiple	8 unique	Dam Safety & Seepage/Stability Correction Prg	FP
multiple	multiple	212	Dredged Material Disposal Facilities Program	FP
UFC	5540	750	Employees Compensation Fund	P
multiple	NA	737	Estuary Restoration Program	P-C
IWR	76175	250	Inland Waterways Users Board - Board Expense	P
IWR	76183	250	Inland Waterways Users Board - Corps Expense	P
multiple	31323	430	Shoreline Erosion Control Devel and Demo	P
			OPERATION AND MAINTENANCE	
ERDC	8284	495	Aquatic Nuisance Control Research	P
ERDC	8329	640	Asset Management/Facilities and Equipment Maintenance	P
IWR	88933	640	B/M Support for O&M -- Optimization Dredging Data	P
multiple	8258	640	B/M Support for O&M -- Perf Based Budgeting Support	P
ERDC	7855	640	B/M Support for O&M -- Recreation Mgmt Support Prg	P
ERDC	150609	640	B/M Support for O&M -- Stewardship Support Program	P
ERDC	60000	110	Coastal Inlet Research Program	P
MVS	8252	640	Cultural Resources (NAGPRA/Curation)	P
NAP		111	Dredge McFarland Ready Reserve	P
MVN	8304	111	Dredge Wheeler Ready Reserve	P
IWR	88926	640	Dredging Data and Lock Performance Monitoring System	P
ERDC	89500	110	Dredging Operations and Environmental Restoration	P
ERDC	86000	110	Dredging Operations Technical Support Program (DOTS)	P
HQ	8248	640	Earthquake Hazards Reduction Program	P
HQ	81369	640	Facility Protection	P
multiple	329430	300	FERC Hydropower Coordination	FP
multiple	329431	640	F&WL Operating Fish Hatchery Reimbursement	FP
LRE	8266	111	Great Lakes Sediment Transport Model	P
AGC	8315	640	Inland Waterway Navigation Charts	P
HQ	30767	221	Inspection of Completed Works	P
LRE		640	Long Term Option Assessment for Low Use Nav	P
LRD	Multiple	111	Michigan Harbor Dredging, MI (listed under States)	FP
ERDC	8321	110	Monitoring of Completed Navigation Projects	P
HQ	030745	640	National (Levee) Flood Inventory	P
SAM	8242	111	National Coastal Mapping Program	P
HQ	88935	640	National Dam Safety Program	P
HQ	NA	500 series	National Emergency Preparedness Program (NEPP)	P-C
HQ	8270	640	National Natural Resources Management Activities	P
IWR	151527	640	National Portfolio Assessment for Reallocation	P
HQ	116676	310	Nationwide Evaluation of Hydropower Rehab	P

IWR	8295	640	Program Development Tech Support (ABS-P2, WINABS)	P
multiple	Multiple	410	Protection of Nav -- Removal of Sunken Vessels	FP
multiple	Multiple	420	Protection of Nav -- Protect / Clear / Straighten	FP
IWR	017460	490	Protection of Nav -- Waterborne Commerce Statistics	P
IWR	008265	495	Protection of Nav -- Harbor Maintenance Fee Data Collection	P
SWF		640	Recreation One Stop (R1S) National Recreation Reservation	P
ERDC	8303	110	Regional Sediment Management Demonstration Program	P
HQ	88000	600	Reliability Models for Major Rehab	P
IWR	329421	640	Responses to Climate Change at Corps Projects	P
IWR	149676	640	Shoreline Use Permit Study	P
IWR	8241	290	Water Operations Technical Support (WOTS)	P
1/P = Programmatic; P-C = Parent; FP = Funding Pot				

TABLE I-2
P2-OFA Transaction Types

CODE	TYPE	DESCRIPTION 1/
ALLOCATION CODES		
ALC	ALLOCATION OF COLLECTIONS	HQ use only. Allocations of collected appropriation reimbursements through a work allowance from the source AMSCO where the appropriations reimbursements are collected, or equal and offsetting revocation from the source AMSCO.
ALL	ALLOCATION – OTHER (NO NAMED AMOUNT)	HQ use only. Allocation of previously unallocated funds through a work allowance to a child of a Parent Remaining Item or a recipient from a Funding Pot Remaining Item for which an amount was not identified in the Statement of Managers tables.
ALW	ALLOCATE H (WITHHELD C)	HQ use only. Allocation through a work allowance of withheld portion of Statement of Managers amount.
C	CONFERENCE	HQ use only. Allocation through a work allowance of the Statement of Managers amount.
H	WITHOLD C (CONFERENCE)	HQ use only. Withholding of all or portion of Statement of Managers amount. Negative number.
RES	RESCISSION	HQ use only. Rescission deduction. Negative number.
REV	REVOCATION	HQ use only. Revocation by HQ that does not qualify as a reprogramming. Negative number.
SUP	ALLOCATE SUPPLEMENTAL	HQ use only. Allocation of supplemental funds through a work allowance.
REPROGRAMMING CODES		
CGR	REPROGRAM – PRIOR CONGRESSIONAL	A reprogramming requiring prior Congressional notification (exceeds thresholds). The CGR code may apply to both the receiving project and the donor project, or to only one.
EMR	REPROGRAM – RESPOND TO EMERGENCY	A reprogramming to respond to an emergency. Use of the EMR code requires post-facto Congressional notification. The EMR code applies to <u>both</u> the receiving project and the donor project, if any.
REP	REPROGRAM – OTHER	A reprogramming not requiring Congressional notification (does not exceed thresholds and is not for an emergency). The REP code may apply to both the receiving project and the donor project, or to only one.
OTHER CODES		
O	OTHER	HQ use only.
REC	RECONCILIATION	An increase in the current FY work allowances for a PPA, P2 Program Code, or P2 Project to equate its work allowances to its CRA allotments in CEFMS when the allotment cannot be reduced, together with the offsetting reduction in work allowances on other projects to finance the increase.
RLC	REALLOCATION	A movement within a PPA, into or out of a sub-item that is not itself a PPA, of funds previously allocated or sub-allocated through a work allowance. The RLC code may apply to both the receiving project and the donor project, or to only one.

1/ Corrections are accomplished by issuance of a negative work allowance that offsets the error.

APPENDIX J

Calculation of USACE Reprogramming Limits, Examples

Note: Limits apply to cumulative net amount. Limits apply to both reprogrammings from a project and reprogrammings to a project, although only reprogrammings to a project are shown in the examples below. Cumulative net amount is net, that is, reprogrammings to a project and from a project offset each other, at least in part. Limits do not apply to reprogrammings that reduce the cumulative net amount reprogrammed.

Reprogramming Example No. 1 (Investigations):

PPA needs \$100,000 to fully fund award of an A-E contract.

- FY 2010 Allocations: \$ 0
- Prior Unexpended Amount: \$550,000
- FY 2010 Baseline: \$550,000
- Reprogramming Limit: \$ 49,999
- Cumulative Net Amount: $\$0 + \$100,000 = \$100,000 > \$49,999$
- **Committee notification required because receiving PPA did not receive an appropriation and the reprogramming is not “for existing obligations and concomitant administrative expenses,” so its limit is \$49,999**

Reprogramming Example No. 2 (Construction):

PPA needs \$800,000 to award a fully funded contract. Funds in the amount of \$250,000 have been reprogrammed to the PPA earlier in FY 2008.

- FY 2010 Allocations: \$2,500,000 (at least partially from JES table)
- Prior Unexpended Amount: \$ 300,000
- FY 2010 Baseline: \$2,800,000
- Reprogramming Limit: \$ 420,000.
- Cumulative Net Amount = $\$250,000 + \$800,000 = \$1,050,000 > \$420,000$
- **Committee notification required**

Reprogramming Example No. 3 (Operation and Maintenance):

PPA needs a third reprogramming action for \$1,200,000 to fully fund a contract. Previous reprogrammings include:

#1	+ \$3,000,000
#2	- <u>\$ 600,000</u>
net	\$2,400,000

- FY 2010 Allocations: \$20,000,000 (at least partially from JES table)
- Prior Unexpended Amount: \$ 300,000
- FY 2010 Baseline: \$20,300,000
- Reprogramming Limit: \$ 3,045,000.
- Cumulative Net Amount = $\$3,000,000 - \$600,000 + \$1,200,000 = \$3,600,000 > \$3,045,000$
- **Committee Notification NOT required for first or second actions because in both cases the cumulative net amount did not exceed \$3,045,000. Committee notification required for third action.**

(This page intentionally left blank)

APPENDIX K

Processing and Approval of Reprogramming Actions for PPA's

	Committee Notification Required?	Who Approves in P2-OFA
Initiate a new PPA (move funds into a PPA never before funded in the applicable account)		
Non-CAP	Not Auth.	Not Auth.
CAP	Before	DIV/FOA, then HQ A.M.
Reprogram all but a remainder of less than \$1,000 from a continuing PPA		
Eliminates the PPA (see EC for discussion)	Not Auth.	Not Auth.
Does not eliminate the PPA	See below	DIV/FOA, then HQ A.M.
Investigations & MR&T Investigations – limits on cumulative net amount reprogrammed to or from a continuing PPA		
If baseline is more than \$100,000, except in the case of a receiving PPA that did not receive an appropriation		
Increase cumulative net amount reprogrammed to both \$50,000+ and > 25% of baseline, or to > \$150,000	Before	DIV/FOA, then HQ A.M.
Otherwise 2/		Dist/FOA 1/
If baseline is up to \$100,000, except in the case of a receiving PPA that did not receive an appropriation		
Increase cumulative net amount reprogrammed to \$50,000+	Before	DIV/FOA, then HQ A.M.
Otherwise 2/		Dist/FOA 1/
In the case of a receiving PPA that did not receive an appropriation		
Increase cumulative net amount reprogrammed to receiving PPA to \$50,000+	Before	DIV/FOA, then HQ A.M.
Otherwise 2/		DIV/FOA, then HQ A.M.
Construction & MR&T Construction – limits on cumulative net amount reprogrammed to or from a continuing PPA		
When reprogramming to receiving PPA is for settled claim, changed conditions (as defined), or real estate deficiency judgment (separate threshold)		
Increase cumulative net amount reprogrammed to receiving PPA for settled claim, changed conditions, or real estate deficiency judgment to > \$3,000,000	Before	DIV/FOA, then HQ A.M.
Otherwise 2/		Dist/FOA 1/
In any other case (separate threshold)		
If baseline is > \$2,000,000, except in the case of a receiving PPA that did not receive an appropriation		
Increase cumulative net amount reprogrammed to > 15% of baseline or > \$3,000,000	Before	DIV/FOA, then HQ A.M.
Otherwise 2/		Dist/FOA 1/

If baseline is up to \$2,000,000, except in the case of a receiving PPA that did not receive an appropriation

Increase cumulative net amount reprogrammed to > \$300,000

Before

DIV/FOA, then
HQ A.M.
Dist/FOA 1/

Otherwise 2/

In the case of a receiving PPA that did not receive an appropriation

Increase cumulative net amount reprogrammed to receiving PPA to > \$300,000, for existing obligations and related administrative expenses

Before

DIV/FOA, then
HQ A.M.

Increase cumulative net amount reprogrammed to receiving PPA to NTE \$300,000, for existing obligations and related administrative expenses

DIV/FOA, then
HQ A.M.

Increase cumulative net amount reprogrammed to receiving PPA to \$50,000+, NOT for existing obligations and related administrative expenses

Before

DIV/FOA, then
HQ A.M.

Otherwise 2/

Dist/FOA 1/

O&M and MR&T O&M – limits on cumulative net amount reprogrammed to or from a continuing PPA

When reprogramming is to enable the Corps to respond to an emergency (as defined) (use EMR transaction code for both receiving PPA and contributing PPA) (does not count toward thresholds below)

After

DIV/FOA, then
HQ A.M.

In any other case

If baseline is > \$1,000,000, except in the case of a receiving PPA that did not receive an appropriation

Increase cumulative net amount reprogrammed to > 15% of baseline or >\$5,000,000

Before

DIV/FOA, then
HQ A.M.

Otherwise 2/

Dist/FOA 1/

If baseline is up to \$1,000,000, or if PPA is a receiving PPA that did not receive an appropriation

Increase cumulative net amount reprogrammed to > \$150,000

Before

DIV/FOA, then
HQ A.M.

Otherwise 2/

Dist/FOA 1/

FUSRAP – limits on cumulative net amount reprogrammed to or from a continuing PPA

Increase cumulative net amount reprogrammed to receiving PPA to both \$50,000+ and > 15% of baseline

Before

DIV/FOA, then
HQ A.M.

Otherwise 2/

Dist/FOA 1/

1/ Inter-district reprogrammings are approved at the Division level. At the request of a Division, OFA will be programmed so that intra-District reprogrammings are approved at the Division level. HQ A.M. must approve reprogrammings of supplemental funds and Maintenance and Operation of Dams funds, reprogrammings between Divisions/FOAs, reallocations involving PPAs that have been reclassified as non-PPAs, reprogrammings that are non-offsetting (that result in a change in undistributed balance), and reprogrammings from CAP projects "named" in FY 2006-2010. Transactions that reprogram supplemental funds in the I, C, O&M, and MR&T accounts while modifying the supplemental category-class-subclass are prohibited, as they would change the character of the funds.

2/ Includes a reprogramming that reduces the cumulative net amount reprogrammed.
HQ A.M. = HQUSACE Account Manager or CAP Program Manager

31 Oct 09

APPENDIX L

Appropriations Committee Notification Example for Standard Reprogramming

(Letter should be in 11 or 12 font, Arial)

Honorable Peter J. Visclosky
Chairman, Subcommittee on Energy
and Water Development
Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515-6015

Dear Mr. Chairman:

This letter is to inform you that the Department of the Army plans to reprogram \$XXX,000 of [name account, e.g. Construction] funds to the XXXXXX project from the YYYYYY project.

[Use these sentences if applicable: Thus far in FY 2010, a cumulative net amount of \$BBB,000 has been reprogrammed to the XXXXXX project. With this reprogramming, cumulative net reprogrammings to the XXXXXX project in FY 2010 would be \$CCC,000.] The reprogramming baseline for the XXXXX project is \$DDD,000. [Use the following sentence or a variant, depending on which, if any, statutory provision applies: In accordance with section 101(a)(___) of the Energy and Water Development Act, 2010, prior notification of the House and Senate Appropriations Committees is required for reprogrammings to or from the project that would exceed \$EEE,000 on a cumulative net basis.]

[Use these sentences if applicable: Thus far in FY 2010, a cumulative net amount of \$GGG,000 has been reprogrammed from the YYYYYY project. With this reprogramming, cumulative net reprogrammings from the YYYYYY project in FY 2010 would be \$HHH,000.] The reprogramming baseline for the YYYYYY project is \$III,000. [Use the following sentence or a variant, depending on which, if any, statutory provision applies: In accordance with section 101(a)(___) of the Act, prior notification is required for reprogrammings to or from the project that would exceed \$JJJ,000 on a cumulative net basis.]

The XXXXXX project was authorized **[explain]**. The additional funds are required for the XXXXXX project to fund **[explain]**. The funds are not required for the YYYYYY project because **[explain.]** No commitment has been made to restore the funds used in this reprogramming to the project[s] from which they were obtained.

I am sending an identical letter to the Honorable Byron L. Dorgan, Chairman, Subcommittee on Energy and Water Development, Committee on Appropriations, United States Senate.

Very truly yours,

Jo-Ellen Darcy
Assistant Secretary of the Army
(Civil Works)

CF: Honorable Rodney Frelinghuysen
Ranking Member

EC 11-2-198

31 Oct 09

Honorable Byron L. Dorgan
Chairman, Subcommittee on Energy
and Water Development
Committee on Appropriations
United States Senate
Washington, D.C. 20510-6030

Dear Mr. Chairman:

This letter is to inform you that the Department of the Army plans to reprogram \$XXX,000 of [name account, e.g. Construction] funds to the XXXXXX project from the YYYYYY project.

[Use these sentences if applicable: Thus far in FY 2010, a cumulative net amount of \$BBB,000 has been reprogrammed to the XXXXXX project. With this reprogramming, cumulative net reprogrammings to the XXXXXX project in FY 2010 would be \$CCC,000.] The reprogramming baseline for the XXXXXX project is \$DDD,000. [Use the following sentence or a variant, depending on which, if any, statutory provision applies: In accordance with section 101(a)(___) of the Energy and Water Development Act, 2010, prior notification of the House and Senate Appropriations Committees is required for reprogrammings to or from the project that would exceed \$EEE,000 on a cumulative net basis.]

[Use these sentences if applicable: Thus far in FY 2010, a cumulative net amount of \$GGG,000 has been reprogrammed from the YYYYYY project. With this reprogramming, cumulative net reprogrammings from the YYYYYY project in FY 2010 would be \$HHH,000.] The reprogramming baseline for the YYYYYY project is \$III,000. [Use the following sentence or a variant, depending on which, if any, statutory provision applies: In accordance with section 101(a)(___) of the Act, prior notification is required for reprogrammings to or from the project that would exceed \$JJJ,000 on a cumulative net basis.]

The XXXXXX project was authorized [explain]. The additional funds are required for the XXXXXX project to fund [explain]. The funds are not required for the YYYYYY project because [explain]. No commitment has been made to restore the funds used in this reprogramming to the project[s] from which they were obtained.

I am sending an identical letter to the Honorable Peter J. Visclosky, Chairman, Subcommittee on Energy and Water Development, Committee on Appropriations, United States House of Representatives.

Very truly yours,

Jo-Ellen Darcy
Assistant Secretary of the Army
(Civil Works)

CF: Honorable Robert F. Bennett
Ranking Member

APPENDIX M

Format for Reprogramming Data Sheet

	DONOR PROJECT	GAINING PROJECT
APPROPRIATION ACCOUNT		
BUSINESS PROGRAM		
PROJECT NAME		
FY 2010 BASELINE (SUM OF ALLOCATIONS AND UNEXPENDED CARRY-IN)		
PROPOSED REPROGRAMMING AMOUNT		
WHY ARE FUNDS SURPLUS (DONOR); PROPOSED USE OF FUNDS (GAINER)		
IF FUNDS WERE NOT REPROG., IN WHICH FY COULD THE DONOR USE THEM (ASSUME ENACTMENT OF PRES. FY 2011 BUDGET)		
BUDGET HISTORY SINCE FY 2007 (<u>NOT ENACTED</u> HISTORY) (SHOW FY's BUDGETED)		
2007		
2008		
2009		
2010		
2011		
IF NOT IN MOST RECENT BUDGET, WHY NOT?		
FY AND PAGE NUMBER FOR LATEST J SHEET		
CONSISTENT WITH POLICY?		
IF CONST OR PED, DID OMB EVER "CLEAR" IT WITH A FAVORABLE EXECUTIVE BRANCH POSITION? IF SO, WAS IT LOW BUDGET PRIORITY?		
IF CONST OR PED, DOES IT MEET CURRENT CONST GUIDELINES? WHICH (E.G. BCR, INUNDATION HAZARD TO LIFE, ETC.)?		
SUMMARY OF BUSINESS CASE AND ANY SPECIAL CONSIDERATIONS (E.G. POLITICAL, SAFETY, PAYBACKS)		
DO MEMBERS FOR DONOR PROJECT OBJECT?		
NAME OF USACE P.O.C. WHO CONSULTED WITH OFFICES OF MEMBERS		
DROP DEAD DATE, AND WHY		

(This page intentionally left blank)

APPENDIX N

Conditions and Approval Levels for Use of Contract Clauses

CONTRACT TYPE	DESCRIPTION OF CONTRACTING CLAUSE	CONDITIONS FOR APPROVAL	APPRV LEVEL
Fully Funded	<ul style="list-style-type: none"> Funds are available to fully fund contract scope. 	<ul style="list-style-type: none"> Funding is available to reserve against entire contract scope 	District
Options Contracts	<ul style="list-style-type: none"> Base contract and each option are fully funded at award. 	<ul style="list-style-type: none"> Total contract is over \$20M (if funded in C or MR&T (C) account) Funding is available to reserve against entire scope of base contract Base contract and options each produce a useful increment of work (increment of work that produces benefits or outputs, and will remain in a safe condition) or navigation reach 	District CDR
Special Continuing Contract Clause – Primary Clause (See Reference 4.m.) ()	<ul style="list-style-type: none"> Contractor is not allowed to work beyond the amount reserved on the contract for the fiscal year. Expressly requires the contractor to stop working when funds are exhausted. Government is responsible for all costs pursuant to the termination for convenience clause regardless of the amount reserved on the contract in the fiscal year. 	<ul style="list-style-type: none"> Project is funded under C or MR&T (C) account and total contract is over \$20M, or project is funded under O&M or MR&T (M) account and criteria for MSC CDR approval, below, are not met Performance extends more than 3 months beyond current fiscal year Funding is provided or likely to be provided in out-year President's budgets Request for Approval (see Appendix N) has been submitted. 	ASA(CW)
Special Continuing Contract Clause – Primary Clause (See Reference 4.m.)	<ul style="list-style-type: none"> Contractor is not allowed to work beyond the amount reserved on the contract for the fiscal year. Expressly requires the contractor to stop working when funds are exhausted. Government is responsible for all costs pursuant to the termination for convenience clause regardless of the amount reserved on the contract in the fiscal year. 	<ul style="list-style-type: none"> Project is funded under O&M or MR&T (M) account Performance extends more than 3 months beyond current fiscal year Special clause is most cost-effective No funds have been or are scheduled to be reprogrammed to or from project in FY 2009 The lowest amount from the Budget, House Report, or Senate Report, (or the amount from the Conference Report, if available) for FY 2010 is sufficient to fully fund the contract and to fund any other FY 2009 O&M on the project Request for Approval (see Appendix N) has been submitted 	MSC CDR

True Continuing Contract Clause (EFARS 52.232.5001)	<ul style="list-style-type: none"> • Permits the contractor to work beyond the amount reserved for the contract in the fiscal year. • Government is legally liable to pay the contractor for such costs 	<ul style="list-style-type: none"> • Management plan and budget policy provides sufficient likelihood that sufficient funds will be available at all times to avoid violation of Section ____ of the FY 2009 Act. • Request for Approval (see Appendix N) has been submitted 	ASA(CW)
Special Contract Clause – Alternate Language (Reference 4.m.) or DFARS Incremental funding clause (DFARS 252.232-7007)	<ul style="list-style-type: none"> • Contractor is not allowed to work beyond the amount reserved on the contract for the fiscal year. • Expressly requires the contractor to stop working when funds are exhausted. • Government's liability for termination costs is limited to the amount reserved on the contract (EFARS only) 	<ul style="list-style-type: none"> • Conditions for District CDR approval, below, are not met 	ASA(CW)
Special Contract Clause – Alternate Language (Reference 4.m.) or DFARS Incremental funding clause (DFARS 252.232-7007)	<ul style="list-style-type: none"> • Contractor is not allowed to work beyond the amount reserved on the contract for the fiscal year. • Expressly requires the contractor to stop working when funds are exhausted. • Government's liability for termination costs is limited to the amount reserved on the contract (EFARS only) 	<ul style="list-style-type: none"> • Funds reserved for the contract are sufficient to fully fund a useful increment of work (increment of work that produces benefits or outputs, and will remain in a safe condition) or navigation reach 	District CDR

APPENDIX O

Format for Approval to Award a Continuing Contract

Requests for approval to award continuing contracts shall be consistent with the format in the following example. Requests should be developed at the time of the Acquisition Plan and submitted 60 days prior to the proposed solicitation date.

BUSINESS CASE FOR USE OF CONTINUING CONTRACT

1. Description of the contract acquisition strategy. Provide a comprehensive multi-year acquisition plan with an overall description of the project to include the schedule for award, contract duration, and estimated cost for each year of construction. Include a description of the benefits that would be achieved through awarding the construction contract.

2. Contract Earnings and Expected Funding Stream.

a. Provide information on the funding stream by fiscal year for the contract.

b. Describe funding sources (i.e. included in PY appropriations, President's Budget request for PY+1, etc).

c. Describe likelihood of follow-on funding.

d. Describe cost growth risks and controls (material cost growth trends, recent bid climate, potential for changed conditions, opportunities value engineering savings, opportunities for technology driven savings, etc).

3. Evaluation of contract alternatives. The following information must be discussed in the evaluation of contract alternatives to determine if a continuing contract may be used. If the answer is "NO" to question a, and "YES" to questions b and c, a continuing contract may be recommended.

a. Is the amount available in FY 2010 sufficient to fully fund the contract?

b. Are the scope and schedule of the contract appropriate for the features of the project to construct? Provide analysis of various contracting options. Analysis should provide PROS and CONS for each option investigated. NOTE: Efficiencies and cost savings are NOT sufficient to support the use of a continuing contract. Use of a continuing contract must be based on the fact that the work cannot be accomplished through another contracting vehicle, and is in the best interest of the government. Contracting vehicles to be investigated should include, but not limited to:

(1) Fully Funded Contract

- (2) Multiple Fully Funded Contracts Awarded Sequentially
- (3) Delaying Contract Award until Sufficient Funding is available.
- (4) Fully Funded Contract with Base Bid, and Option(s)
- (5) Special Continuing Contract
- (6) Incrementally Funded Contract
- (7) True Continuing Contract

c. If the assessment of all relevant contracting options are impractical, it is determined that delay of the contract to FY11 or later would result in unacceptable consequences (i.e. threat to life, etc.), and there are no funds identified for reprogramming to the project, a true continuing contract may be recommended.

4. Effective Management Controls on Contractor to Ensure Contractor Cannot Work In Advance in Excess of Funds Reserved on the Contract. Approval to award a True Continuing Contract does not obviate the legal restraint prohibiting USACE from allowing the Contractor to work in excess of the amount reserved to the contract. Thus, in requests for use of the True continuing contract clause or to use the special or incremental funding contract clause in a cost-reimbursable contract, the requestor shall describe the management controls to be put in place to ensure the contractor will not exceed the amount reserved to the contract.

5. Recommendation. Provide an overview of the recommendations and include a legal basis for the recommendation. Include a project funding table that highlights out-year project funding/budget requests to show funds that are programmed for a continuing contract.